

# REPORT

AND

## CORRESPONDENCE

OF THE

**Southern India Chamber of Commerce.**

—:O:—

**MARCH 1914—FEBRUARY 1915.**

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**Madras :**

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# THE SOUTHERN INDIA CHAMBER OF COMMERCE.

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## OFFICE-BEARERS—1914.

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### *President.*

1. Rao Bahadur P. Theagaroya Chettiar, B.A.

### *Vice-Presidents.*

2. Khan Bahadur M. A. Kuddus Badsha Sahib.
3. Diwan Bahadur Govindoss Chathoorbhoojadoss.

### *Honorary Secretaries.*

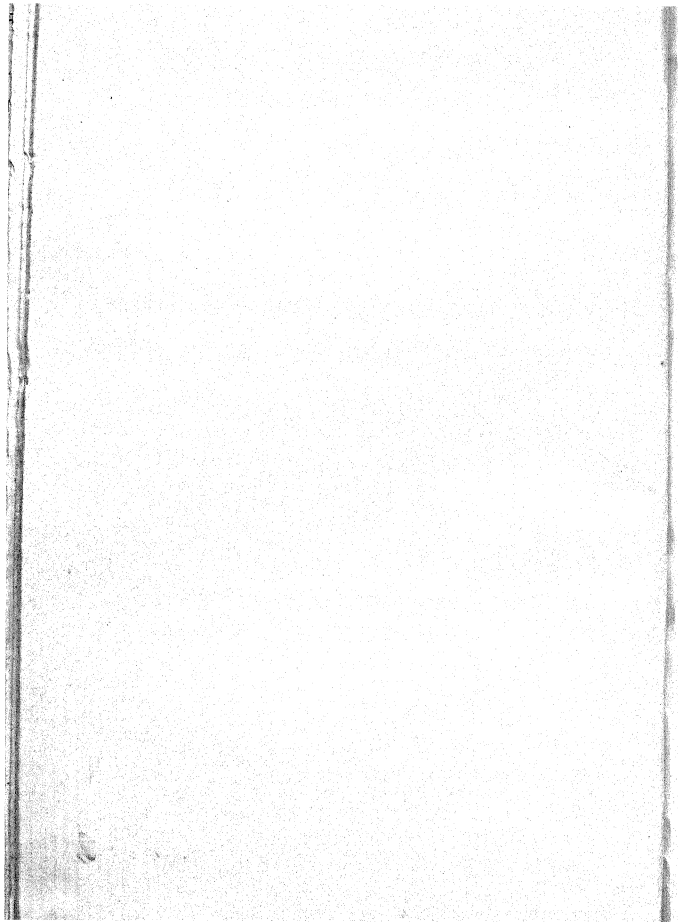
4. M. R. Ry. V. Arunagiri Naidu, B.A.
5. Moulana Abdus Subhan Sahib, Esq.

### *Members.*

6. The Secretary, Indian Bank Ltd.
7. M. R. Ry. P. N. Muthuswami Naidu, B.A.
8. " C. T. Alwar Chetty, B.A.
9. " Chitti Babu Naidu, B.A.
10. " Rao Saheb T. Nemberumal Chetty, B.A.
11. " C. Ramanujam Chetty Garu.
12. Khan Bahadur Waljee Laljee Sait, Esq.
13. M. R. Ry. N. Rajagopalan.
14. " P. Aiyanna Chetty.
15. " C. Gopal Menon.
16. " T. Seetharam Chettiar.
17. Muhammad Moosa Sait, Esq.
18. M. R. Ry. M. Venugopal Naidu.
19. Yakub Hassan Sait, Esq.
20. M. R. Ry. C. Srinivasa Chariar.
21. The United India Life Insurance Coy.
22. Hajee Muhammad Haneef Sahib, Esq.
23. Haji Hakim Muhammad Abdul Azeez Sahib, Esq.
24. M. R. Ry. S. V. Ramaswami Mudelliar.
25. Messrs. D. V. Hanumantha Rao & Co.
26. M. Jamal Muhammad Sahib, Esq.
27. Meer Abdur Rahiman Sahib, Esq.

### *Assistant Secretary.*

28. M. R. Ry. C. Duraiswami Aiyangar, B.A.



# THE SOUTHERN INDIA CHAMBER OF COMMERCE.

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## ANNUAL REPORT.

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THE following is a summary of the more important of the proceedings of the Committee during the year ending February 1915:—

### **Nomination of Members to the Madras Port Trust.**

Under Section 11 of the Madras Port Trust Act 1905, when the term of office of the Trustees of the Port of Madras was about to expire on the 31st March 1914, and new Trustees had to be appointed for a term of two years, with effect from the 1st April following, the Government of Madras, in order to assist them in making the appointment of Indian Members to the Board desired the Chamber to suggest three names of "Natives of India, residing in the City of Madras," suitable for appointment. In view of the urgency of the matter, a special meeting of the Executive Committee of the Chamber was held on 16th March 1914, at which the names of the following three gentlemen were returned by ballot and the names were duly communicated to Government:—(1) Rao Bahadur P. Theagaroya Chettiar, (2) Dewan Bahadur Govindoss Chathoorbhoojadosh and (3) Mr. C. Ramanujam Chettiar. In their order of the 26th March, the Government notified that these gentlemen had been appointed Trustees of the Port of Madras, as also Khan Bahadur Abdul Kuddus Badsha Sahib, Vice-President of the Chamber. A Bill to amend the Madras Port Trust Act, 1905, has since been published and provision

has been made therein for the election of two members of the Madras Port Trust Board by the Members for the time being of this Chamber. In the Statement of Objects and Reasons, it is observed as follows:—"The Government consider that the position attained by the Southern India Chamber of Commerce which came into existence since the present Act became law, entitles it to the privilege of electing two members to sit on the Board". The Bill is about to be introduced in the Council.

### **Fireworks Magazine in the Madras Port Trust.**

It was stated in last year's Report that it looked as if the construction of a magazine by the Madras Port Trust for the storage of fireworks would be an accomplished fact in the near future. The importers of fireworks had an interview with the Chairman of the Madras Port Trust, on the 23rd March last, when the latter kindly pointed out to them the site of the proposed new building. The importers considered the site convenient to all concerned and indented for their season stocks in the hope that the magazine would be completed by the 1st August, by which time they expected their goods to arrive. The magazine was ready for inspection precisely on 1st August as promised, and by the end of the month rules had been framed to regulate the storage of consignments of fireworks in the same. A long-felt want has thus been supplied, and the trade is very grateful to the Port Trust and to the Government of Madras for the help.

### **Delivery of Calcutta Mails on Sundays.**

Taking advantage of the change in the time of arrival of the Calcutta Mail trains in Madras from 11-30 A.M. to 9-15 A.M., effected on the 1st March 1914, the Chamber approached the Presidency Postmaster with a request that

arrangements may be made for the delivery of Calcutta Mails on Sundays, instead of on the next day as hitherto. The Presidency Postmaster was pleased to issue a Postal Notice, that with effect from the 15th March 1914 there would be two postal deliveries by Postmen in the Madras City, on Sundays and Post Office holidays, instead of one as till then, and that the mails from Calcutta would be included in the second delivery. A serious inconvenience to business men has thus been removed.

### **The Proposed Industrial Exhibition in Madras.**

The National Fund and Industrial Association communicated a resolution adopted at a meeting of its Managing Committee, held on the 17th April 1914, suggesting that the Reception Committee of the Indian National Congress to be held in Madras in December and this Chamber might together consider the question of the desirability of holding an Industrial and Commercial Exhibition on the occasion of the Session of the Indian National Congress, and requesting that the views of this Chamber on the financial and other aspects of the proposal might be communicated to them. A Special Meeting of the Executive Committee of the Chamber was held on the 27th April, at which it was resolved that this Chamber, while fully sympathising with the object of holding an Industrial and Commercial Exhibition, hesitated to recommend the proposal owing to the shortness of time before it, and the very small progress that had been made in industries since the last exhibition was held in Madras. The Chamber considered that it would be more desirable to enable intelligent men with special experience to visit Exhibitions in foreign countries and study cottage and home industries in vogue there, and report on the suitability of any foreign appliances and knowledge to the industrial conditions of the country. The idea of holding an Exhibition was eventually abandoned by the Association and by all concerned.



## **The Proposed Boiler Inspection Committee.**

The Sanitary Engineer to Government requested the Chamber to let him know its views on the proposal to institute a committee in Madras, as in Bengal, to do the functions performed in this Presidency by the Sanitary Engineer to Government in respect of Boiler Inspection. The arrangement in Bengal was reported to work satisfactorily, and it was stated that the Government had it under consideration to introduce the same arrangement here also, and that before doing so they wished to ascertain what defects had actually been experienced under the present system and what might have led the Madras Chamber of Commerce to suggest a modification on the lines of the arrangement in Bengal. This Chamber was not in favour of the proposed change. In the first place, it had no reason to be dissatisfied with the present arrangement under which the Inspector of Boilers was subordinate to the Sanitary Engineer and the latter disposed of appeals from the decisions of Inspectors. Secondly, from enquiries made of the chief boiler owners who were members of the Chamber, it appeared there had been no recent case of any such appeals against the decisions of Inspectors, nor had any cases come to notice of delay or inconvenience in the disposal of appeals by the Sanitary Engineer. The Chamber stated that the constitution of a Board in the place of a Sanitary Engineer seemed to it to be uncalled for, and whatever the arrangement was in Bengal, as far as this Presidency was concerned, the Chamber was unable to discover any necessity or justification for the proposed or for any change. In these circumstances, the Chamber did not give its support to the proposal.

## **Classification of Condensed Milk.**

Under the existing orders in regard to the importation of condensed milk into India, a brand is required to be marked "prepared from skimmed milk" if analysis showed that it had

been prepared from a milk containing less than 3 per cent. of fat. The condensed milk must contain a higher percentage of fat in proportion to the degree of concentration, three per cent. of fat being the proportion for any uncondensed milk. In a communication received from the Collector of Customs early in March last, it was stated that this method of distinguishing between condensed milk and skimmed condensed milk was considered defective, inasmuch as it was almost impossible to ascertain the degree of concentration in condensed milk unless this was entered on the label by the manufacturers themselves. The Government of India proposed to introduce a system under which the classification of condensed milk should be based on a fixed percentage of fat for each tin. It was stated that they had under their consideration a suggestion that 12% should be the minimum proportion and that a tin containing fat in a smaller proportion should be required to be marked "prepared from skimmed milk." This figure was based on the supposition that the original cow's milk from which the contents had been prepared contained three per cent. of fat and that condensation was effected in the proportion of 3 to 1, a ratio generally adopted by manufacturers. It was stated that the Government were inclined to accept the proposal, but before prescribing the procedure for adoption in Custom House they were desirous of having the views of this Chamber in regard to the proposed system. The Committee having carefully considered the proposal outlined in the letter of the Collector of Customs, observed that the suggestion that 12% should be the minimum proportion and that a tin containing fat in a smaller proportion should be required to be marked "prepared from skimmed milk" met with their approval. The Chamber added that any reduction from this figure would not help to distinguish between real condensed milk and skimmed condensed milk and that the introduction of the proposed system would be in the best interests of the consumers. The Chamber accordingly stated that it was in favour of the proposal.

## **Pier and Landing Dues at Tuticorin.**

The Tuticorin Merchants' Association forwarded to the Chamber copy of a petition submitted by it to the Government of Madras on certain alterations in the method of assessment relating to the collection of the Pier and Landing Dues at the Port. It was represented that the change had hit the merchants hard and that they found considerable delay in transacting business with the Port Office. On a careful consideration of the several points contained in the petition of the Tuticorin Merchants' Association, the Chamber requested the Government not to finally decide upon the revision of the Pier and Landing and Shipping Dues until this Chamber had an opportunity for expressing its views on the proposals of the Presidency Port Officer. It was represented to Government that while the Tuticorin Merchants' Association had brought to the notice of the authorities the defects in the levy of the existing scale of fees, that body was not consulted in the matter of the proposed scale of dues. In view to elicit local opinion in regard to the proposed scale of dues, this Chamber requested that final orders might be deferred until it had consulted and obtained the views of the Tuticorin Merchants' Association. In the same connection, the Chamber invited the attention of Government to the following further representation of the Indian importers using the Tuticorin Pier:—(a) that the pilferage of cargo passing through the port enclosure gates was on the increase and should be put a stop to with a strong hand; (b) that the Boat Rules of the Port were not strictly enforced and in the interests of the trade of the Port they should be so enforced; (c) that the accommodation in open sheds at the Pier was insufficient and should be considerably extended to meet the growing demands of the trade and (d) that in the calculation for the collection of ground rent and shed rent, recognised public holidays should be excluded. A communication has since been received from Government inviting the views of

this Chamber in consultation with the Tuticorin Merchants' Association on the scale of rates proposed to be introduced. The subject is receiving further consideration.

### **Revision of Storm Signals.**

A memorandum by the Director-General of Observatories proposing a revision of the storm signals used in the Bay of Bengal and the Arabian Sea and the arrangement for distributing information regarding weather in the Bay by means of daily flags and telegrams, was referred to the Chamber by the Local Government for an expression of its opinion. The memorandum set forth several particulars in which it was urged that a change in the existing system was desirable. The Chamber was of opinion that the proposals of the Director-General of Observatories were desirable and that it had no further suggestions to offer on the subject.

### **Advisory Boards and Income-Tax Assessment.**

The Collector of Madras invited the Chamber to offer its views on the proposal to establish Advisory Boards composed of non-official gentlemen to be nominated by heads of districts to assist officials in the work of assessment under the Income-Tax Act. The subject was discussed in the Imperial Legislative Council in January 1914. The proposal was considered by the Chamber at more than one meeting of the Committee. There was no unanimity of opinion as regards the usefulness of the proposed Advisory Board. While a majority was not generally in favour of the proposal, a few members were very apprehensive that the introduction of such a Board would only go to aggravate the existing evil and make matters worse for the Income-Tax Assessees. Under the circumstances the Chamber was opposed to the proposal.

### **The Indian Companies Act.**

The Chamber invited the attention of Government to a feature in the working of the Indian Companies Act and requested the Government of Madras to move the Government

of India to take suitable action thereon. Table B of the first Schedule of the Act prescribed a fee of Rs. 5 for any document required or authorized to be filed under the Act. Another fee of Rs. 5 was prescribed for making any record of any fact required or authorized to be recorded. These fees were prescribed irrespective of the fact that a Company had a share capital or not. What was noteworthy was that these fees were also levied irrespective of the fact that the capital of the Company was only Rs. 10,000 in one case or exceeded a crore of rupees in another. The Chamber drew attention to the several documents and papers required to be filed under the Act, including cases in which a record was required to be made. It was explained that besides the registration of the Memorandum and Articles of Association, the recording of a special resolution increasing or decreasing capital, or amending Articles of Association, for which separate fees were prescribed, there were as many as twenty documents and papers which were legally required to be filed. It was observed that no fee was prescribed in any of these cases under the old Act of 1882. Secondly, the hardship of having to pay these fees, in addition to the legal obligation under stringent penalties of having to file the documents or record the statements within the time limit prescribed, was the subject of representation to the Chamber by certain joint stock companies. Having given the matter their careful consideration, the Chamber submitted that under Section 249 of the Act the Governor-General in Council might direct the levy of smaller fees than those prescribed and requested that in view of the hardship complained of, the fee of Rs. 5 prescribed for filing documents and recording statements might be reduced by not less than 50 %, at all events in the case of Companies whose nominal capital did not exceed five lakhs. The Chamber requested the Local Government to move the Government of India in the matter. In a further communication, the Chamber invited the attention of Government to the scale of fees in Table B of the first Schedule of the Indian Companies Act as compared with the corres-

ponding table of the Companies Consolidation Act, 1908, 8 Edward VII., Chap. 69. It was observed by the Chamber that in determining the amount of fees the £ had been taken at Rs. 20 while in graduating the fees to the amount of the share capital, the latter had been calculated at Rs. 10 a £, and thereby the fees under the Indian Companies Act became exactly double what they were under the English Act. Considering the resources of the English Companies and the conditions of Joint Stock enterprise in England, if a fee of £2 or Rs. 30 was all that was levied for the registration of a company whose nominal share capital did not exceed £ 2,000 or Rs. 30,000, it was indeed anomalous that an Indian Company with a share Capital of Rs. 20,000 should be called upon to pay a fee of Rs. 40. As the fee under the English Act was exactly half of what it was under the Indian Act, the Chamber requested that His Excellency the Governor-General in Council might be invited to consider why the Indian Company should labour under this extraordinary disadvantage and be subject to this invidious distinction. It was also pointed out that no fee was levied under the English Act for filing any document required to be filed, while under the Indian Act a fee of Rs. 5 was levied for the same. While most of the documents required to be filed were annual, some documents such as filing the return of the allotment of shares and changes in the Directorate might be of more frequent occurrence. It was represented that a high fee of Rs. 5 in the Indian Act, as compared with the five shillings in the English Statute, under the circumstances set forth above, operated as a serious hardship. In the end, the Chamber requested the Local Government to address the Government of India in the matter. The subject is receiving the attention of the authorities.

### **Coal Wagons on the South Indian Railway.**

It was represented to the Chamber that the Madras Port Trust having made it possible for practically all coal that

arrived at the Port to be loaded by ship's derricks direct into Railway wagons, the South Indian Railway Company, by reason of its shortage of coal wagons, was unable to carry off the ships' discharge promptly and that thereby the Company compelled some 80 or 90 per cent. of the coal intended for despatch over their line to be dumped in the Port Trust Premises. On the other hand, the Madras and Southern Mahratta Railway Company had a better supply of wagons and was in a position to carry off discharges from ships at the rate of 1,200 to 1,400 tons per day. It was pointed out that the prompt and satisfactory handling of coal direct into the railway wagons resulted in the saving of fully a rupee per ton in the cost, not to mention the saving of  $2\frac{1}{2}$  to 3 p. c. in the quantity that used to fall overside. With such facilities, it was urged that the South Indian Railway Company should be asked to follow the lead given by the Port Trust for the benefit of the coal trade. The Traffic Manager of the Port Trust, in a special note prepared on the subject, showed that in the case of the South Indian Railway, metre gauge, the low percentage of coal despatched direct from the steamers was entirely due to the shortage of wagons, and that in the case of broad gauge, the small despatches direct from the steamers were caused by restrictions on the number of wagons which importers were permitted by the Railway to despatch daily. The result was that owing to the inability of the Railway to find an adequate supply of wagons, the Port Trust authorities had to find room for a very large quantity of coal, which had to be stacked in their premises. On the invitation of the Chamber, Mr. C. S. Rowbotham, the District Traffic Superintendent at Egmore, was good enough to be present at a meeting of the Committee, and he explained to the Chamber that the congestion complained of was due to exceptional circumstances at the time, over which the Company had no control and that suitable arrangements had since been made to avoid a similar trouble in future. By the month of August, the Chamber learnt from the Chairman of the Port Trust that there had been a great improvement

in the rapidity of the despatch of coal in the metre gauge wagons of the South Indian Railway direct from the ships' side. In one case, such a good supply of empty wagons was maintained by the Railway authorities that a vessel which arrived in Madras on the evening of the 10th July last left the Port on the afternoon of the 18th idem, after discharging a full cargo of 6,100 tons of coal, 4,000 tons of which were for the South Indian Railway metre gauge, of which 3,770 tons were despatched direct to Egmore.

### **Wholesale Cash Price.**

The Collector of Customs, Madras, forwarded copy of a letter from the Government of India, regarding the interpretation of the term "wholesale cash price" for purposes of Import Duty, and invited the views of the Chamber on the several points raised therein. The interpretation of the term "wholesale cash price" was recently the subject of correspondence between the Government of India and the Bombay, Karachi and Bengal Chambers of Commerce. It was suggested by the Bombay Chamber that the true and correct meaning of market value of the expression "local wholesale cash market value", as far as the importer was concerned should be clearly and definitely stated by the Government for the guidance of the Customs authorities. They submitted that, if import duty was to be levied on the market value, that value must be "the highest prices at which a first seller immediately after importation is disposing of his goods wholesale" and that "when the term wholesale is used it is meant in its broadest sense of quantity". This was supported by two other Chambers above mentioned. The Government of India felt a doubt whether the interpretation as already defined by them was correctly applied at all Customs houses, and hence the reference to the Local Governments and to the various Chambers of Commerce. Under these circumstances, the Government of India desired to have full information as to the methods adopted at the ports in carrying out the existing



orders, together with any suggestions for improvement which the Commercial community and the local customs authorities might have to make. The subject was carefully considered by the Committee with reference to the voluminous correspondence the Chamber had already had with the Local Government and the Government of India. Perhaps it might make matters clear to state that the following rulings have already been laid down by the Government of India in explanation of the expression "wholesale cash price" under Section 30 of the Sea Customs Act, VIII of 1878 :—

(a) Contract of sale note cannot be accepted as proof of real value of goods for assessment of duty (1896); (b) trade discount relates to the discount granted by the wholesale vendor in India to local purchasers (1905); (c) invoice prices, contract notes or sale notes cannot be accepted as proof of real value. Duty should not therefore be levied on the invoice cost of goods (1908); (d) "wholesale cash price" should be defined as the local wholesale market value irrespective of the prices at which transactions are conducted between importers and dealers (July 1908), and (e) the word "wholesale" bears the same meaning in section 30 (a) of the Sea Customs Act, 1878, as it does in the expression "wholesale lots" in Clause 3 of Section 32 of the Act, namely, "such lots as wholesale dealers would be willing in the ordinary course of business to sell at wholesale rates" (1911). The Government of India in their reference observed that these rulings were given after the most careful consideration and that they were not prepared to re-open the question of the term "wholesale cash price." The Chamber was of opinion that this expression had been defined clearly enough and it therefore did not ask for any further definition now. However, the Chamber pointed out that in its opinion the real difficulty, so far as this Presidency was concerned, seemed to be not in the interpretation of the expression but in the practical carrying out of the orders of the Government of India. It was not known to the trade how the local wholesale market value was ascertained by the

Customs authorities. The Chamber was afraid that there was no attempt on their part at a systematic enquiry and therefore suggested that an officer not below the grade of an Appraiser should systematically go into the market and make regular enquiries of the current wholesale prices of articles—a practice which, it was understood, was followed some years ago. The Chamber believed that in numerous cases the Customs Authorities had not correctly ascertained the market value and that consequently there had been more cases than the actual circumstance would have justified, of undervaluation of goods and misdeclaration in values affecting duty. The Chamber, therefore, urged the Government to call for full particulars of the number and nature of cases detected and ultimately convicted or excused, say during the period of the last three years. The Chamber was confident that an examination of these cases will disclose the fact that the market valuations were not correctly ascertained by the Customs Authorities in the first place; that the imposition of the penalties, where the offence had been more or less the same, depended on no intelligent principle, and that finally there was a clear need for working the provisions of the law and the orders of Government in a spirit of greater sympathy and conciliation with the importers. It was added that this Chamber did not agree with the definition of "local wholesale cash market value" suggested by the Bombay Chamber of Commerce, namely, "the highest price at which a first seller immediately after importation was disposing of his goods wholesale". It was obvious that this could not always be the market price, as the first seller generally sold to his own constituents and the value paid could, in most cases, only be the contract value and often less than the value that could be obtained in the open markets. A further suggestion was made by the Chamber that as regards articles which had not a definite and ascertainable market value it might be more convenient if the Government should issue a rule that all goods that were usually sold in less than a whole package at a time should be assessed under Section 30 (b). In most cases

in this Presidency, importations were made by small dealers, and it was not unlikely that various articles were packed in one case and had a higher value paid. In such cases, the invoice value could be accepted with advantage to Government. The preparation of a schedule of wholesale quantities was likely to involve considerable difficulty and not to work well in practice. Yet another suggestion was made by the Chamber, in this connection, namely, that it would be well that Customs Authorities were instructed to be more sparing in the application of the penalty of confiscation under Section 167 Cl. 37 (e) and that notwithstanding the question of legality or otherwise, the infliction of the double penalty of confiscation and fine, and the indiscriminate application of Section 32 and Section 167 at different stages of proceedings in regard to the same case should be expressly discouraged, as this was a source of harrassment to importers.

### **Interview with the Finance Member.**

The Hon'ble Sir William Meyer, K. C. I. E., I.C.S., Finance Member of the Government of India, met the members of the Chamber in April last and was good enough to discuss several matters of financial interest. The Chamber welcomed Sir William Meyer to this Presidency and said it was a matter of no small pride and satisfaction to them that he, whom they claimed as belonging to this Presidency, had been chosen by His Imperial Majesty to fill his high office. Speaking on the subject of the Madras Port Trust the Chamber requested that the great undertaking of the development of the Port might be helped as far as possible, because, though much had been done under the leadership of the Hon'ble Sir Francis Spring and the generous assistance of the Government in the past, a great deal more remained to be done. As regards railway development in this Presidency, the Chamber urged that Madras had received for long but poor recognition in the allotment of funds included in the Railway

programme of the Government of India and that the requirements of this Presidency in respect of long pending projects and the improvement of open lines and rolling stock deserved to be more sympathetically considered. Sir William Meyer observed that the question of the District Board Railways was hanging fire when he was here and that since then Sir Harold Stuart had settled the question; that this Presidency was getting ahead of other provinces; and that as regards Imperial programme we were going to have in a very short time the Punrutti-Trichinopoly line. The Chamber welcomed the new Postal Savings Bank Rules and expressed the hope that the development of the Postal Savings Banks System might not be found to interfere with the working and growth of the very useful indigenous Banking institutions of this part of the country known as *Nidhis*. Sir William Meyer pointed out that a lot of *Nidhis* were still badly managed, so much so that the Madras Representative on the Imperial Legislative Council wanted legislation sometime ago to regulate them. Sir William Meyer assured the Chamber that if they were well managed, the *Nidhis* would prosper.

The Chamber then drew the attention of the Finance Member to the evidence of its representative, Mr. Vidya Sagar Pandya, before the Royal Commission on Indian Finance and Currency, and especially to that portion of the evidence relating to the Presidency Banks, and urged the great importance, desirability and justice of the Bank of Madras associating with their Board of Directors an adequate number of Indians. It was pointed out that the Bank of Madras whose dealings were mainly, if not solely, with Indians would be better equipped for its extensive business by taking Indians on its Board, and requested the Government to exercise in a full measure such powers as they now possessed under the Presidency Banks Act and investigate how far the demands of this Chamber for the inclusion of the Indian element in the Directorate of the Bank of Madras was reasonable; and if they were convinced

the Chamber requested the Government to go further and persuade the Bank to take action under Section 24 of the Presidency Banks Act. These representations having already been made to the Government of Madras, the Chamber desired to invite the attention of the Government of India now to the same. There was a lively discussion on this topic, and it was argued for the Presidency Banks that the Directors were elected by the shareholders; that if Indians were wanted as Directors, they must have shares in the Bank; that the appointment of Directors was a domestic matter for the Bank to deal with; that the Government could not intervene as such; and that the proper course for the shareholders would be to muster strong at the Annual meetings and elect their own Directors. On the other hand, it was contended on behalf of the Chamber that the Government had its accounts with the Banks; that there were large Government deposits; that five-sixths of the amount advanced by the Bank were to Indians; that Indian Directors with their better knowledge of Indians would make safer advances; that Indian Directors possessed local knowledge; that if it were not for the large deposits of Government, the public would not deal with them as they were doing now; that the withdrawal of Government assistance would seriously affect their transactions and reduce their prestige; that most of the shareholders were out of Madras and that out of the 943 shareholders, 181 were Indians and several of them residents out of Madras; that the shareholdings were practically fixed investments and consequently the shares did not change hands; and lastly, that Indian shareholders were unable to do anything in the present state of affairs. Attention was also invited to the system of proxies resorted to in the case of a large number of European shareholders. Sir William Meyer at the conclusion of the discussion on this topic, observed that the representations of the Chamber would be considered in due course, but before amending the constitution, whether of a country, of a city or of a Bank, it was necessary to consider what could be done under the existing constitution. As regards

the State Bank, the Chamber suggested that the proposed Committee to examine the question of the establishment of such a Bank might consider the relations of the Presidency Banks with the Government, in view to defining their duties and services, and that such an enquiry might also be useful for any Banking legislation that might be undertaken. Sir William Meyer remarked that these were useful suggestions. As regards the report of the Royal Commission on Indian Finance and Currency, the Chamber was for sending a special representation on the points covered by the Report. Several other matters were informally discussed, among which were (1) the co-operative movement, (2) high prices enquiry, (3) income-tax, etc.

### **Railway Wagons for Firewood.**

Several merchants dealing in firewood represented to the Chamber that wagons were not supplied regularly and in sufficient numbers on the North-East section of the Madras & Southern Mahratta Railway, that the Railway freight on firewood was heavy and was raised from time to time to the detriment of the trade, that while coal and stones received preferential treatment in the matter of wagons supplied, firewood was neglected; that the supply of a special type of wagons was restricted; and that there were anomalies in the freights charged in certain cases. The matter was taken up by the Chamber and discussed with the Railway authorities. The Railway pointed out that as firewood was light and did not give full loading, the merchants always pressed for the highest capacity wagons and refused to load smaller wagons when supplied, thereby small empty wagons available at stations had often to be worked away empty and larger ones hauled to the loading stations, resulting in the unnecessary increase of empty haulage. It is to prevent this an extra charge of 15 per cent. was levied from 1st July 1912 on all wagons of higher capacity than twelve tons. With effect

from 1st July 1914 it was decided, as the previous arrangement did not have the desired effect owing to the merchants still wishing to load the highest capacity wagons, to charge a rate of annas 3-6 per wagon per mile for a twelve-ton wagon subject to a maximum weight of 300 maunds load in it, and a rate of annas 4-6 for the highest capacity wagons subject to the same limit of 300 maunds. It was contended that this arrangement meant a reduction of freight charged on the twelve-ton wagon by six per cent. and on a sixteen-ton wagon by one anna per wagon per mile. It was argued on behalf of the Railway that they had made it possible for any wagon that was supplied to be used, as under the new arrangement it did not matter to the merchants what wagons were supplied, the charges per ton being about equal in any case. Some of the other points raised by the merchants were also duly considered by the Railway and replied to.

### **Hides Export and German Firms.**

It was represented to the Government of India that certain German firms in Calcutta had formed themselves into a league styled, "The Calcutta Hides and Skins Shippers Association". The purpose of this Association was to boycott any outside firm which attempted to ship hides from India. The boycott was enforced locally and in foreign markets by using the sentiment of nationalism. The Collector of Customs enquired whether this Chamber had any knowledge of the matter and sought for information on the method of procedure adopted in German firms, and the extent of the monopoly they had been able to build up in the export trade of hides. The Chamber replied that, as a result of their careful enquiries, they were in a position to state that there was no evidence of the existence of the practice referred to, as far as this Presidency was concerned.

### **The Provincial Insolvency Act.**

A circular letter of the Government of India on the subject of the working of the Provincial Insolvency Act,

1907, and the desirability of amending some of its provisions, was referred to the Chamber for an expression of its opinion on the specific amendments proposed in the letter. The Chamber replied that the amendments suggested by the Government of India were acceptable, that the scale of pay suggested by the Upper India Chamber of Commerce referred to in the letter seemed to them to be too liberal, considering Indian conditions, and that if this scale were adopted the whole of the insolvents' estate might in many cases be found insufficient to meet the claims of the highly paid servants. The Chamber also made certain additional suggestions by way of further amendments to the Act. The Chamber suggested a proviso to the effect that the Court might require the debtor to deliver or cause to deliver all his property within a time to be named, and if within the prescribed time he failed to satisfy the Court that he had acted in good faith and diligently in the realisation of his assets, the order of release was subject to be cancelled in the discretion of the Court. It was also suggested that the remuneration of the Receiver might be fixed by law. Some other minor suggestions were also made.

### **Revision of Tariff Valuations.**

The Bombay Chamber of Commerce represented to the Government of India that the procedure at present followed in the fixation of values of articles in Schedule IV of the Import Tariff was defective and should be revised. They suggested that, in future, the rates proposed by Government should be communicated to the Chambers of Commerce a month before the annual Conferences, and that the views of the importing merchants at the different ports should be collected and circulated with full information by the Customs Authorities in their proposed rates in cases where there was divergence of opinion so that fair valuations might eventually be fixed. While in theory the valuations were based on a twelve months' average of the market prices returned monthly by the



Collector of Customs, in practice only nine months' prices were available at the time when the revision was taken up. This Chamber submitted the following as its views regarding the suggestions. As far as this Presidency was concerned, the Chamber was not aware, in the first place, that the Customs Authorities were systematically ascertaining the prices of the articles liable to duty at tariff valuations at the important stations of the Presidency. It was not the practice in the Madras Customs House to invite the suggestions of the Chambers of Commerce. The proposed changes in the tariff were not communicated in advance and local commercial opinion was not represented at the Annual Conference. It was understood that an Appraiser was deputed to attend the Conference on behalf of this Presidency, and that the data on which he made his suggestions were not open to any, outside the department. The Chamber, therefore, suggested that a small conference of leading merchants interested in the principal articles in which a large trade was carried on in the Presidency should be held sufficiently early, at which the rates proposed by the Customs Authorities should be discussed and revised in the light of commercial opinion. The proposed rates might also be circulated to the Chambers of Commerce and their representatives invited to attend the Conference. In the absence of such a discussion there was no object gained in continuing the present practice of deputing an Appraiser yearly to say what he chose. The proposal of the Bombay Chamber of Commerce therefore, commended itself to this Chamber.

### **The Madras Salt Depôt.**

Several dealers in Salt at the Madras Salt Depôt petitioned the Chamber to the effect that their trade suffered seriously owing to the extremely unsatisfactory arrangement in regard to the supply and distribution of Railway wagons at the Depôt. It was represented that the Railway Authorities send their wagons to the Salt Department and it was that Department that distributed the wagons among the dealers

who applied for them ; that while their daily indents for wagons averaged thirty a day, the actual supply was between 10 and 15 wagons ; that in distributing the wagons the Department proceeded on the principle that large dealers should have special preference, and as a result the long-standing and steady dealers found it no longer possible to carry on their business as before, on account of their inability to fulfil their contracts with their upcountry customers. The case of these dealers was taken up and represented to the Board of Revenue, to the Railway Authorities and eventually to Government. The Chamber was informed by the Government that enquiries were made into the subject-matter of the complaint of the dealers and that it did not appear to them that these dealers had been prejudiced by the system of distribution of wagons by the Salt Department. The Government observed that they had ascertained that the wagons supplied were in proportion to the Salt demand of the merchants.

### **The Proposed Usury Law.**

At the instance of the Government of India, the Government of Madras invited the views of this Chamber on the question of the feasibility of preventing the use of the Civil Courts as an agency for the realisation of the usurious demands of money-lenders. The position in regard to the proposed legislation was clearly explained in the letter of the Government of India, and the various arguments for and against the suggested measure were elaborately set forth therein. On a consideration of all the facts bearing on the question, your Committee was of opinion that legislation was needed on the lines of the English Money-lenders Act of 1900, to enable Courts to reopen a contract between the parties and reduce the amount of interest whenever it appeared to the Courts that the demands made on the debtors were very extortionate or unconscionable. At the same time, certain safeguards were suggested. In the first place, it was urged that

this law should not touch the honest class of money-lenders. It was also observed that not only the Banks, Co-operative Credit Societies, Provident Societies, etc., should be exempted from the operation of such a legislation, but also the very large class of respectable money-lenders, whose operations are extensive and to whom no suspicion of extortionate or unconscionable transactions could attach. It was argued that the real evil existed only among the petty money-lenders, at all events in this city, who lend out at usurious rates to small wage-earners and low-paid employees in private and public offices. While it was admitted that the needy borrower, especially of the petty order, would more often be a willing victim in the hands of the unscrupulous money-lenders, and that no legislation by itself might absolutely save him, it was hoped that the existing evils, which were admitted on all hands to be really very serious, might be somewhat minimised by taking certain necessary precautions. The provision in the English Money-lenders Act for the registration of money-lenders was considered desirable, with the liability for removal from the register and cancellation of licence in case of proved misbehaviour. The subsidiary provisions for keeping written accounts of all transactions, the obligation to grant counter-foil receipts, the facilities for obtaining copies of accounts and documents were also considered desirable. It was also suggested that Judges of certain standing only should be authorized, if necessary, to exercise the power of re-opening contracts as above suggested and that it was also a matter for consideration whether the amount of debt for which a contract might be re-opened should not be limited also. The suggestion to fix a maximum or minimum rate of interest did not find favour with your Committee. The Committee deemed it necessary to place before the Government the views of those of the Members who were opposed to the proposed measure though they were in the minority, in view of the importance of the subject and the weight of opinion expressed.

## **Tanneries in Bangalore.**

It was represented to the Chamber by the tanners in the Bangalore District, residing within the limits of the Civil and Military Station, that their tanning industry was being threatened with serious danger on account of various disabilities, and they requested that their representations to the Mysore Government might be supported by this Chamber. The Committee addressed the Secretary to the Government of Mysore in the Education, Agriculture, Commerce and Industries Department on the subject of the bye-laws for the improvement of tanneries in Mysore, framed by the Mysore Government under the Local Boards Regulation of 1902. The memorialists apprehended serious danger from the annual renewal of licenses provided for in the bye-laws. The object of the renewal was obviously to bring the sanitation of tanneries under control, and the apprehension of the memorialists was due to the fact that licenses might be cancelled on the report of petty subordinates. The Committee was of opinion that though annual licenses might be insisted upon in the interests of sanitation, the issue and cancellation of such licenses should only be made to depend on the report of superior and responsible officers of Government after personally satisfying themselves in each case. As regards the conditions imposed on the tanners in virtue of their obligation to take out licenses, the Chamber pointed out that the rules contemplated were quite ideal, and while in every way desirable in the interests of sanitation, they were not such as would be practically carried into effect without great hardship to the tanners themselves, and would if enforced, strictly, be detrimental to the interests of the trade in Bangalore. While, therefore, sympathising with the objects of the Government in drawing up the rules, the Chamber recommended their adoption only gradually, the improvements being spread over a number of years without a strict enforcement at the very start. It was also pointed out that the Government in this Presidency did not enforce any stringent regulations in

respect of tanneries situated in British India, such as those in the suburbs of Madras City, Dindigul, Trichinopoly, Coimbatore, Tirupatur, etc., where large tanning operations are taking place. In some of these places, the tanneries are situated within the Municipal limits.

### **Export of Tanned Hides.**

By a notification issued on 10th August all export of tanned hides was prohibited. The prohibition altogether upset the trade and serious hardship was caused to the dealers. It became urgently necessary to revive the trade which came suddenly to a standstill on account of the prohibition imposed by the Government of India and in the interests of dealers, shippers, tanners and the large body of labourers employed who were suddenly thrown out of employment, a very serious situation was created which required very prompt attention. Shippers were prepared to submit to any restrictions the Government might choose to impose to ensure shipments reaching only the United Kingdom or neutral countries. A special meeting of the Committee was held to consider the situation, and it was decided to urge the Government for immediate relief. On the 8th September, the prohibition was relaxed so as to permit exports to the United Kingdom, France and Russia, provided there was no reason to suspect possible diversions to other countries. An attempt was made to secure exemption for the export of tanned hides to America as well, pointing out that the prohibition in Great Britain did not apply to America. The Government of India did not comply with the suggestion.

### **Cutting of Currency Notes.**

The Government of India in the Finance Department addressed the Chamber on the desirability of taking steps to bring to an end the present practice of cutting currency notes. The opinion of the Chamber was invited on the following points:—  
(1) whether it was not desirable that the practice of cutting

currency notes should be discouraged ; (2) whether the methods proposed for effecting this purpose were suitable, and, if not, what alternative methods were recommended ; and (3) whether the penalties suggested were suitable. The Government of India assured that in any case no steps in the direction contemplated could be taken until normal conditions once more obtained in respect of trade and credit. The reasons adduced by the Government of India to stop the present practice of cutting currency notes for remittance purposes did not appear to the Chamber to be quite adequate, considering the great disturbance to the existing facilities for remittance and the unpopularity that was likely to be caused. The Government of India observed that the practice lent itself to the commission of fraud ; that it entailed the expenditure of much care and time in the examination of divided notes and that there was consequent delay in encashment and inconvenience to the public. This Chamber had not received any complaints of delay in encashment and consequent public inconvenience. The Chamber believed that the defects complained of could be obviated by a small increase in the staff employed in Currency Offices to examine the divided notes, and that this extra expenditure would be fully justified considering the inconvenience which the general public would be put to if the proposed course were adopted by Government. In the absence of adequate Banking facilities for remittances, which the Government itself recognized, the Chamber apprehended that the proposal would work harshly with the commercial community. Further, it might also render any expansion in the extension of Paper Currency difficult of accomplishment. Possibly, it might also lead to a contraction, as Currency Notes were now mainly sought for by the mercantile community on account of the facility for remittance purposes. The Chamber was therefore strongly against the proposal to end the practice of cutting Currency Notes till such time as full Banking facilities were available or the rates of postal insurance for remittances were considerably reduced. Should, however,

the Government of India decide to stop the practice, the Chamber suggested that the penalties prescribed might be reduced.

### **War Risk Insurance.**

The Committee was called upon to express its opinion as to the surcharge for increased freight and War Risk Insurance claimed by shippers of piece-goods in Great Britain from Madras importers on goods sold on Free in Harbour terms. It was represented that the matter was one of considerable importance to dealers of piece-goods and yarn. After consulting several firms, the Indian Merchants' Chamber and Bureau, Bombay, the Native Piece-Goods Merchants Association, Bombay, and the Madras Chamber of Commerce, this Chamber issued the following notice: "That no surcharges, either for extra freight or for War Risk Insurance be paid by importers, on goods bought on Free in Harbour terms, and that this notice be communicated to all concerned".

### **Piece-goods Contracts.**

The Government of Madras forwarded copy of a telegram from the Commerce and Industry Department of the Government of India, containing an appeal from the Manchester Chamber of Commerce to the various Indian Piece-Goods Associations in this country, that contracts for delivery of cotton goods which were voidable at once by buyers might be extended under the *force majeure* clauses for two months for goods now under contract. The Chamber was requested to give the matter its best consideration. It was represented by Manchester Chamber that owing to the insecurity of vessels, shippers of cotton goods under time goods, would be unable to fulfil contracts for July delivery and probably for August or later deliveries. The Calcutta and Delhi contracts provided for one month extension while others were voidable by buyers. The Chamber, in compliance with the request, issued an appeal to all the Piece-Goods Merchants who were members, urging that contracts for delivery of piece-goods might be

extended by two months, pointing out that this applied to contracts for July and August delivery for the present. It was also pointed out that the Government might, if they had chosen, have legislated in the matter and declared moratorium for all piece-goods contracts. Instead of doing that, they were appealing to the larger patriotism of the dealers and the Chamber expressed the hope that the suggestion would prove acceptable.

### **Indians on the Madras Bank Directorate.**

While formally placing on record their general concurrence with the opinions of Mr. Vidya Sagar Pandya, who was nominated by the Chamber to give evidence before the Royal Commission on Indian Finance and Currency, and according their hearty thanks to him, the Committee, at a meeting held in February 1914, resolved that in addition to drawing the attention of Government to the several points raised in the evidence of the Chamber's witness, the Chamber do specially urge the great importance, desirability and justice of the Bank of Madras associating with their Board of Directors an adequate number of Indians, unlike heretofore. Pursuant to this Resolution, the Government of Madras were addressed and requested to give their earnest consideration to the importance of introducing the Indian element in adequate strength in the Bank's Directorate which, the Chamber urged, could only be effected by means of an amending legislation in respect of the Presidency Banks Act. Attention was also invited to the observations of the Finance Member made in the course of his speech on the Budget, regarding the part played by the Presidency Banks as the Bankers' Bank in the country, and to the statement of his clear conviction that it would be impossible to assist Banking institutions which desired assistance except through the Presidency Banks. The Chamber contended that this proved the clear necessity for securing a proper number of Indians in the Directorate of the Presidency Banks, and for the requisite amending legislation.



Pending the change in the law governing the Presidency Banks, the Chamber suggested that Government might make available the two seats on the Directorate still open under section 24 of the Presidency Banks Act, according to which the maximum number of Directors provided is nine, while there were now only seven Directors. The Chamber asked that the Bank of Madras might be desired to fill in the two vacant seats by throwing them open to Indian candidates exclusively. This advocacy of the claims of Indians, being evidently too distasteful to the Bank's management, led them to adopt devious methods in response. Seeing that the Annual Meeting of the Shareholders of the Bank was to come off in the usual course in August, the Secretary and Treasurer of the Bank issued a circular letter to every shareholder, as early as the 16th April, in which he complained that the Board and Management of the Bank of Madras had been attacked by Mr. Vidya Sagar Pandya, and asked that in view of the action contemplated by this Chamber, which the Bank said it had every reason to believe meant that "a determined effort would be made to change the constitution of the Board" at the next annual meeting, a form of proxy accompanying the circular might be signed by each shareholder and returned to the Bank. The President, Vice-President, Secretary and Treasurer and the Deputy Secretary and Treasurer had been inserted as proxies, to vote upon any matter proposed at the Annual Meeting. An implied vote of confidence in the existing Directors was also solicited by the circular letter which concluded as follows:—"If, therefore, you are satisfied with the manner in which your Directors have safeguarded your interests, I shall be obliged by your signing and returning the enclosed form." This extraordinary proceeding on the part of the Bank's management raised a storm of criticism in the Indian Press, and also engaged the attention of the Committee at a meeting held in May, when it was resolved to invite the attention of the Government of Madras and of the Government of India to the Bank's circular letter to the shareholders

soliciting proxies in favour of their own officers, with a view to prevent the introduction of Indians on the Board. The Local Government and the Government of India were again addressed on the subject, and their attention was invited to the method adopted by the Bank to defeat the attempt to secure an Indian element in its Directorate. It was pointed out that by means of the circular letter the Bank of Madras, without informing its shareholders precisely about the scope of the movement, only alarmed them by misrepresenting that there was an attempt on the part of the Chamber to subvert the constitution of the Bank's Board of Management; that the minds of the shareholders had been prejudiced by vaguely stating that the Bank had been attacked; and the judgment of the shareholders had been unduly fettered by the demand for proxies in favour of the Bank's officers, who had a free hand to vote as they chose on any matter which might come up for consideration at the Annual Meeting. Finally, in the course of our communication to Government, attention was also invited to the evidence of Mr. W. B. Hunter before the Royal Commission on Indian Finance and Currency, and to his statements in particular that it was a great advantage to a Bank Director to possess local knowledge; that European Directors were constantly changing; and that there were no "native Directors" to give some idea of the credits of men in the Presidency, because a large proportion of the shares of the Bank of Madras were held by Europeans; and that no "native Director" had been proposed for election within his recollection. We pointed out that these statements of Mr. Hunter before the Royal Commission were in flagrant contradiction with the principle and policy underlying the extraordinary circular issued by him to the shareholders of the Bank. We invited the Government to take also into their consideration the indignant protests in the Indian Press, called forth by the ill-advised circular. By the time this further communication reached Government, they had issued their orders on our first representation of the 5th March. Their

views may thus be summarised. In the first place, they remarked that it would be an entirely novel procedure to base the composition of the Board of Directors of one of the Presidency Banks on racial grounds. Secondly the Indian shareholders of the Bank had already the remedy in their own hands, and if they had not cared to secure a sufficient number of shares to enable them to control the election of a Director to the Board of the Bank, they were presumably satisfied with the present position. Thirdly, it was not apparent on what grounds the Government could reasonably or with justice intervene and force upon the shareholders of the Bank a Director whom they had not selected. Our second representation had apparently made no better impression on them, for in their further reply to the same, the Government merely contented themselves with saying that the reasons which prevented them from interfering in the appointment of Directors of the Bank of Madras had already been fully explained by them. On the receipt of these replies, your Committee resolved that early steps be taken to move the Government of India, the Local Government having declined to accede to the request of the Chamber. A small sub-committee was appointed to give effect to the above Resolution. In the meantime, as the second representation to the Local Government was addressed to the Government of India as well, the reply of the latter was awaited. In August, however, the Chamber was informed that the Government of India after careful consideration of its representations in the matter, endorsed fully the views already expressed by the Local Government.

It may also be mentioned here, that the Hon'ble Sir William Meyer visited Madras in April last, and this subject of the introduction of the Indian element into the Bank's Directorate was discussed among others by the Members of the Chamber in the course of their interview with him. A summary of the discussion with him is given on another page,

and the gist of his views is contained in the remark that before you amend a constitution consider what all you can do under it. Thus, on all hands, a considerable stress was laid on the fact that the shareholders could and ought to move in the matter of securing their rights before they ask for an amendment of the law or for the intervention of Government. This contention is plausible enough ; but it does not take into consideration the very serious disadvantages and disabilities under which the Shareholders of the Madras Bank labour at present. Subsequent to this correspondence, in view of the importance of the coming Annual Meeting of the shareholders of the Bank, one of the shareholders applied to the Bank for permission to inspect the Register of Shareholders and the Share Transfer Books of the Bank. The Secretary and Treasurer replied to say that there was no Section of the Presidency Banks Act which authorised any Shareholder to inspect the Register of Shareholders or the Transfer Books of the Bank, and that there were no rules framed by the Bank's Board in this connection. Then again, the same shareholder requested for information regarding the proceedings of the special meeting at which the number of Directors of the Bank was raised to over six for the first time and for copies of special resolutions subsequently, if any, whereby the number of Directors was further raised or lowered within the minimum and maximum authorised by the Act. The request was met by an interrogatory demanding the Section of the Presidency Banks Act authorising a shareholder to call for the information applied for. The shareholder explained that it was his intention under Sec. 24 of the Act to take steps for moving a special resolution, if necessary, for the purpose of introducing two Indian Directors on the Board in the two seats available under the Act, and that the information asked for was to enable him to do so. The only reply the Secretary and Treasurer was pleased to vouchsafe to the shareholder was that full instructions as to the procedure necessary in the matter was contained in the Presidency Banks Act. It is thus obvious that the

shareholders of a Presidency Bank do not enjoy even the ordinary privileges of shareholders of joint stock companies. The latter are required to maintain a Register of Members ; to file an annual list with the Registrar of Joint Stock Companies ; to allow inspection of the Register of Members to all Members free and to others at a prescribed fee ; and to allow inspection of annual lists and the taking of copies of the same. These privileges are all denied in the case of a shareholder in the Presidency Bank. In the absence of these privileges, the shareholders are helpless, and there is the greatest difficulty in ascertaining easily who the other shareholders are and in organising themselves to secure their rights. Add to this, the unsympathetic and obstructive attitude of the Bank's officials as betrayed in all that has been done by them to defeat this object, the shareholders' facilities for doing all that they could under the present Act, as suggested by the Hon'ble Sir William Meyer and the Government of India, would appear to be practically nothing. As a matter of fact, at the last Annual Meeting of the Bank shareholders, an Indian shareholder was proposed for a Director's vacancy. Objection was taken to the nomination on the ground that the nominee was a Director at the time in another joint stock bank. The proposer undertook that in the event of election, the nominee would resign his seat on the Board of the Joint Stock Bank. But the Chairman ruled that the nominee should be free from the disqualification at the time of the nomination and the proposal was accordingly vetoed. And yet, it is said to be notorious that in respect of another such disqualification regarding the holding of shares at the time of nomination, some of the Directors buy their qualifying shares only after their appointment. War having intervened, and the Government of India being fully pre-occupied, the Sub-Committee appointed to move the Government of India has temporarily suspended its activities. The matter is all important, in view of the growing intimate relations between the Presidency Banks and the Government, and it is hoped the question will receive fully the further attention of the Chamber in due course.

## **The War and the Monetary Situation in Madras.**

Within a week after the declaration of War, the monetary situation in Madras had become so critical that the following telegram had to be despatched to the Chief Secretary to the Government of Madras at Ootacamund, dated 10th August 1914:—"Owing to declaration of war, financial credit is seriously disturbed and panic is created by the contraction of credit by the Exchange Banks and the Bank of Madras. Immediate help can be given through the Bank of Madras as announced by Sir William Meyer and as was done in Bengal and Bombay last year. Government funds may be more largely put with the Bank of Madras under the present special circumstances to supplement the facilities already available to the Bank to acquire funds. This course will not only relieve the forced contraction of credit but will also tend to restore normal conditions. If immediate steps are not taken to give facilities to business, restoring public confidence, the panic will be aggravated. Kindly place this matter at once before His Excellency in Council telegraphing steps taken". The following reply was received from the Government of Madras:—"Your telegram 10th for larger Government deposits with Bank of Madras. Government are watching the situation but they find no necessity for placing more public deposits with the Bank, since the Bank has ample funds at present and making advances freely when adequate security is offered". The tension of the situation was relieved appreciably in a few days.

## **The Royal Commission on Indian Finance and Currency.**

At the instance of the Government of India, the Chamber was addressed regarding the recommendations of the Royal Commission on Indian Finance and Currency. Dividing the

Commission's recommendations into two classes, *viz.* (1) those concerning such matters as the conduct of Indian Financial administration in London, the relations of the India Office with the Bank of England, and the financial organisation and procedure of the India Office; and (2) those which more nearly concern the Government in this country,—the Government of India enumerated the more important of this second class of questions as follows:—(a) the use of gold in internal circulation; (b) the limit, if any, to be placed on the growth of the Gold Standard Reserve, and the questions of its location and constitution; (c) the treatment of the Paper Currency Reserve; (d) the question whether the Government of India should now publicly notify their readiness to sell Sterling Bills in India on London at the rate of  $1s-3\frac{29}{32}d$  whenever they are asked to do so; (e) the use and location of Treasury Balances, and the advisability of granting loans therefrom; (f) the desirability of increasing the amount of Government's Rupee loans; (g) the sale of Council Bills in excess of the Secretary of State's immediate requirements, or at a rate below  $1s. 4d$ ; and (h) the question of appointing a small expert body, with instructions either to pronounce definitely against the establishment of a State or a Central Bank in India or to formulate a definite scheme for its establishment. The object of the Government of India in addressing commercial bodies was, it was stated, to obtain expression of opinion on the particular points to which each authority addressed may have reason to attach special importance, or on which such authority may be specially competent to advise. In a further communication, the Government of India invited opinion on the desirability of establishing a Gold Mint in India. The Royal Commission, while expressing their inability to recommend on its merits the establishment of a gold mint, nevertheless saw no objection thereto in principle, provided that Indian sentiment genuinely demanded it, that the Indian Government were prepared to incur the expense, and that the coin to be minted be the sovereign or half-sovereign. The

Government of India's enquiry was, therefore, primarily directed towards ascertaining whether there was any considerable body of Indian sentiment which desired the establishment of a mint. These references were received in August, two weeks after the outbreak of the War. In September, your Committee addressed the Government at some length, pointing out the effects of the war even within that short space of time on the finance and financial organisations of the State, and urging that the proper time for considering the various financial and currency questions raised by the Report of the Royal Commission would be only when we were in a position to gauge the full effects of the crisis, and that any conclusion we might come to now would only be tentative and inconclusive in character. The Chamber accordingly requested that the consideration of the questions covered by the Report of the Royal Commission might be taken up at a subsequent and more favourable time. In another week, the Local Government communicated the decision of the Government of India not to ask for an early reply to their references, as they considered it expedient to defer the submission of opinions until normal conditions had been re-established, when the various questions involved could be carefully considered in the light of experience gained in the present crisis.

### **State Technical Scholarships.**

The Government of Madras in the Educational Department forwarded a memorandum on the subject of State Technical Scholarship, and invited the opinion of the Chamber as to what industry or industries might, in its opinion, be best selected for the award of scholarship during the year 1915. The memorandum pointed out that the industry to be selected should be one which had been already developed or in the process of development in the Presidency. It was added that the industries which were recommended for selection during the year 1914 were Electrical Engineering, Soap-making, Wood-distillation, Chemistry, Weaving, Engineering



as applied to Motor Cars, Architecture, Manufacture of Cement, Matches and Pottery. Of these, Weaving was selected for the award of scholarship in that year. The Committee on a careful consideration recommended (1) Industrial Chemistry and (2) the Manufacture of Cement as best suited. By a Government Order issued in January, the Chamber was informed that His Excellency the Governor in Council considered Architecture and Town-planning as subjects most suited for the award of scholarship. Necessary notifications were issued subsequently.

### **The Presidency Banks Act.**

The Government of India in the Finance Department informed the Chamber that they had under their consideration a proposal to amend the Presidency Banks Act, so as to enable Presidency Banks to deal in certain securities to be issued by the Government of His Highness the Nizam of Hyderabad. It was stated that it was the intention of H. H. The Nizam's Government to raise funds from time to time for the purpose of railway development within the Hyderabad State. It was agreed that the proposals regarding the borrowings to be undertaken should be approved on each occasion by the Government of India and that the payment of interest due on the money borrowed should be secured by the hypothecation of the unencumbered portion of the annual rental payable by the Government of India to His Highness the Nizam's Government on account of Berar. The amount so available was ten lakhs of rupees per annum, while it was anticipated that in eight years' time the whole annual rental of Rs. 25 lakhs would be free to be hypothecated for the purpose. In order to secure the successful floatation of the loans and the subsequent negotiability of the securities, His Highness the Nizam's Government desired that the Presidency Banks might be authorized to transact business in those securities in the manner contemplated by Section 36 of the Presidency Banks Act. Your Committee had no objection to the course proposed.

## **State Hospitals and Dispensaries.**

The Government of Madras formulated certain proposals for modifying the existing terms under which medical advice and treatment were provided at public hospitals in the Presidency. It was observed that it had long been accepted as a principle that, in hospitals supported or substantially aided by the State, only the poorest classes had really a claim to free treatment. While Government were ready to devote funds liberally towards spreading a knowledge and appreciation of scientific medical treatment, they were unable to keep pace with the demand for free relief which was continually growing. Consequently, the Government proposed to lay down a scale of charges to be levied from all but the very poor in the medical institutions in the Madras City, where the system could be most easily watched and where the number of private medical practitioners was largest. Your Committee having considered carefully the existing and proposed scale of charges generally, approved of the proposals, but at the same time was strongly of opinion that no distinction whatsoever should be made in the scale of fees between officials and non-officials.

## **Hall-Marking of Gold and Silver Plate.**

The Government of Madras forwarded a copy of representations made by the Bombay and Madras Trades Associations on the subject of the introduction of a system of Hall-Marking of Gold and Silver Plate in India. The proposal emanated from the Bombay Presidency Trades Association, who urged that in the Jewellery and Silver Trades in India, locally made goods in gold and silver were often sold in such a way as to constitute a fraud on the public. In order to protect honest traders from unfair competition, the Association thought that it was necessary that a voluntary system of hall-marking should be adopted. It was claimed for this system that it would not only protect the public but would raise the standard of workmanship in India and that although hall-marking should be voluntary, in the first instance, it

should be made compulsory eventually. The proposal had the support of the Bengal, Bombay and Karachi Chambers of Commerce and also of the Calcutta and Secunderabad Trades Associations. The question had been considered by the Government of India as early as 1890. They then invited opinions from the public, and the replies received indicated that it was not considered expedient to establish a system of hall-marking, whether voluntary or compulsory in India, and the matter was eventually dropped. Among the objections to the proposal stated at the time were that the legislation which would be required to induce a compulsory system of hall-marking would be of a character entirely opposed to the economic policy of the Government of India and would be vexatious and restrictive in operation; that the provisions of a law of this character would be constantly evaded and the result of its operation would be the discouragement of trade in British territory and its encouragement in Native States; that there was a great danger of counterfeiting hall-marks and their fraudulent application to inferior, spurious or loaded ware. Your Committee, on a careful consideration of all the facts and arguments for and against the proposal, expressed itself as opposed to the establishment of a system of hall marking, whether voluntary or compulsory.

### **The Dindigul-Palni-Palghat Railway.**

Availing himself of the presence in Madras of the Hon'ble Sir Henry Burt, the President of the Railway Board, the President of the Chamber addressed him on the subject of the Dindigul-Palni-Palghat Railway. He submitted that while the proposals of Messrs. Binny & Co. had the support of the Government of Madras, non-official Indian opinion in the Presidency was in favour of the joint ownership of the Railway by the District Boards of Madura, Coimbatore and Malabar. He contended that in making their representations to the Railway Board, the Government of Madras had gone

against the wishes and the opinions of the District Boards concerned. There was also a growing volume of public opinion in the Press and on the platform. In the local Legislative Council, when the subject was recently discussed at considerable length, the decision in favour of Messrs. Binny & Co. was mainly influenced by certain legal doubts and difficulties raised in the course of the debate in the way of District Boards combining to invest their funds and owning a Railway in common. It was submitted that the legal position, if was to be examined at all, required to be examined not only with respect to the joint ownership of the Railway by the District Boards, but also in regard to the investment of their funds by the District Boards in a private Company. In any case, the legal difficulties were such as could be easily overcome by special legislation, if necessary. It was pointed out that it was a curious circumstance that while the general policy of the Government of Madras in respect of District Board Railway enterprise left nothing to be desired, and while they did not hesitate to openly avow their policy, they made an exception in the case of Messrs. Binny & Co. The attitude of the Government did not convince any one; and well-wishers of the District Boards had only to appeal to the Railway Board to right a serious wrong attempted to be done to the true interests of local self-government in the Presidency. He further argued that presumably the Company could only depend on subscriptions to be raised in the country. Their resources could hardly be greater than those of the District Boards concerned, provided always the Presidency Bank and the Government of Madras gave them the assistance which it was in their power to give. There was no reason to suppose that such assistance would be withheld, because it was the District Boards in the one case that sought it. As for the capitalists who could be expected to invest, the debentures of the District Boards, which were Trustee Securities, would attract more than the prospectus of a private company. The President expressed the hope that the decision

of the Railway Board regarding the ownership of this Railway project would remove popular apprehensions and restore public confidence.

### **Industrial and Technical Education.**

In January 1912, the Government appointed a Committee to consider and report upon the improvements of industrial and technical education in the north of the city of Madras. The recommendations of this Committee related to the establishment of a system of State apprenticeships among the Engineering shops in the North of Madras and the opening of a technical school for training in Mechanical Engineering, of the apprentices. Since then, the Government having considered how these recommendations could best be given practical effect to, the question had arisen whether in addition to Mechanical Engineering, the facilities for technical education in the school could not be extended to other branches of work also and whether the Motor works should not be invited to co-operate in the scheme. There were also various other practical questions put; and to advise in detail on the several points raised and to work out a regular scheme, a Committee was appointed in July last, in which Rao Bahadur P. Theagaroya Chetty, the President of this Chamber, was invited to join. The Committee appointed several Sub-Committees for particular trades and industries, regarding the provision of instruction for which details might have to be worked out. A Special Sub-Committee was appointed to deal with the question of instruction in Weaving and Dyeing, and our President was attached thereto. The Sub-Committee, after having devoted much time and labour to subjects brought before it for consideration, has embodied its recommendations in the form of several resolutions which will eventually be dealt with by Government.

### **The War and Trade Openings.**

Sometime after the outbreak of the war, the Director of Industries, Madras, addressed the Chamber and enquired

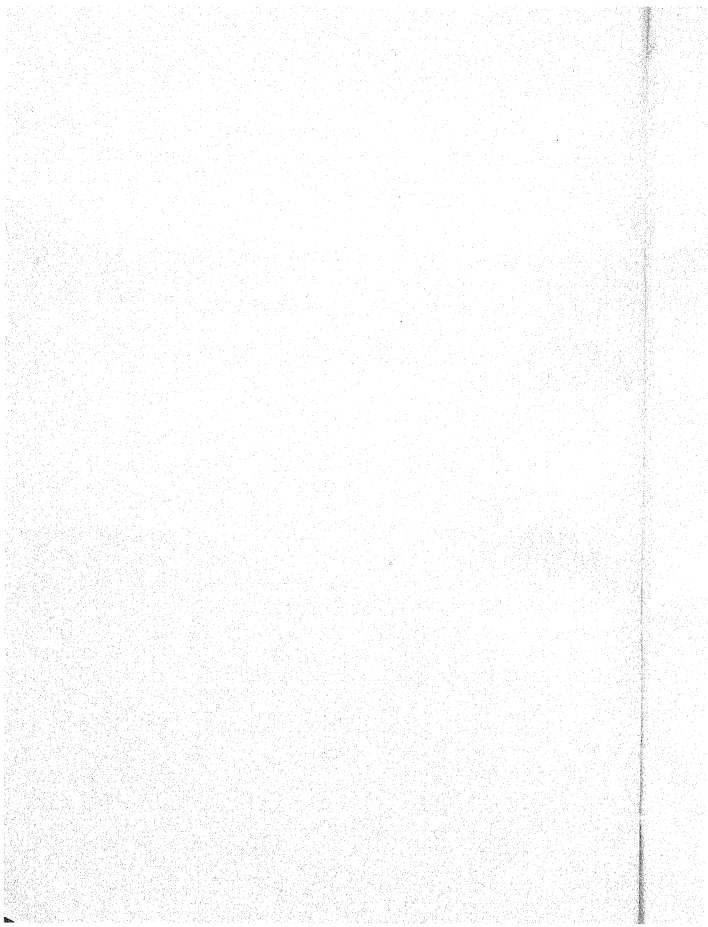
whether there were any directions in which Government assistance would be of value during the present crisis, in view of the considerable disturbance caused to trade by the war, and the Information Bureau started in England for the collection of samples and information with a view to securing trade for the country. The Commercial Intelligence Department, about this time, published a memorandum and statistical tables on India's Trade with Germany and Austria and sent several copies of the memorandum to the Chamber. In response to appeals in the press, advocating the prosecution of enquiries into the possibility of creating in this Presidency industries to produce those articles of which the importation had been interrupted by the War in Europe, the Government issued an order in September last, in which they observed that they had long recognised the importance of promoting, as far as possible, the industrial development of the country, and there was reason to hope that the subject of the importation of goods made in Germany and Austria would enable competing industries already established in India to develop their operations and to secure a firmer hold in the market. At the same time, it was doubtful whether it would be possible to establish new industries not in existence in the country. The creation of a new industry, such as the manufacture of Coal-tar Dyes and Glassware, involved the employment of experts, the building of factories, the erection of machinery and the provision of capital; and in the general dislocation of the financial and industrial world, caused by the War, and in the scarcity of mercantile shipping, it was to be feared that there would be considerable difficulty in procuring the capital, the machinery or the men necessary. The Director of Industries was asked to supply all available information and any advice in his power to provide capitalists or manufacturers who desired to take advantage of the present interruption in order to start fresh industries. In the same order, they also brought these matters to the notice of this

Chamber and the Chamber of Commerce, Madras. They made it, however, quite clear that they were precluded by the orders of the Secretary of State from themselves embarking on commercial undertakings, and the actual prosecution of projects of industrial development had therefore to be left to private enterprise, though they were willing to give through their officers all possible assistance by way of advice and information. The Director-General of Commercial Intelligence also offered to place such information at the disposal of enquirers or to take any steps within his power as would be of use to traders in this country. A series of interesting notes on the economic situation in India generally, and on certain special industries, drawn up by the Director of Industries, was also published. The Government directed the Department of Industries to demonstrate to private enquirers the methods of working the Anderson's Oil Expeller, purchased by the Department, and to give all possible assistance by way of advice and information to persons desiring to erect a similar plant. As regards the groundnut exports, in view of the importance of developing new markets for this crop, the Director of Industries was asked to submit his views as to whether it was possible that action might be taken to create new outlets for the groundnut trade. Further notes were submitted by the Director of Industries in November on hides, tanned skins, groundnut and dyeing. Later, papers were published showing the action taken by Government to assist the export trade of this Presidency in cocoanut products, groundnut and cotton, which had been dislocated as a result of the War. Lastly, the Director of Industries and the Director of Agriculture submitted elaborate and interesting papers on the conditions of sugar factories in the Presidency and on the prospect of the sugar industry in this country. The question of new trade-openings and industries was discussed at more than one meeting of the Committee of the Chamber, and at the close of the year the Committee had not arrived at any workable

proposals to be submitted to Government for their consideration. The question of the relation of the State to Industries was discussed in the Provincial and Imperial Legislative Councils and also at this year's session of the Indian Industrial Conference.

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# The Southern India Chamber of Commerce.

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## The Fifth Annual Meeting.

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The Fifth Annual General Meeting of the Southern India Chamber of Commerce was held on Saturday, the 20th March 1915, at 4 P. M., at the Indian Chamber Buildings, Madras.

The following Members of the Chamber were present :—

Rao Bahadur P. Theagaroya Chetty (*President*); Khan Bahadur M. A. Kuddus Badsha Sahib (*Vice-President*); Dewan Bahadur Govindoss Chathoorbhoojadoss (*Vice-President*); Messrs. V. Arunagiri Naidu and Moulana Abdus Subhan Sahib (*Secretaries*); P. N. Muthuswami Naidu; B. Chitti Babu Naidu; The South Indian Raliway Coy., (represented by Mr. W. A. Cross); Messrs. Aswin & Co. (by Mr. L. Sankaranarayana Chetty); The Madras United Spinning and Weaving Mills (by Mr. Haridoss Visanje); The Hindustan Co-operative Insurance Society (by Mr. Lahiri); Haji Hakim Muhammad Abdul Azeez Sahib; Messrs. C. Gopal Menon; C. Srinivasa Chariar; C. Ramanujam Chetty; M. Venugopaul Naidu; P. Thiruvengada Mudaliar; C. G. Balabhadra Nayagar; Meer Abdur Rahiman Sahib; Khan Bahadur Waljee Laljee Sait; Rao Bahadur G. Narayanasawmy Chetty; Messrs. C. Abdul Hakim Sahib; C. T. Alwar Chetty; Haji Muhammad Haneef Sahib (by Mr. P. N. Varada Chariar); N. Venkatram Chetty; A. S. Arunachela Reddiar (by Mr. A. K. Mudaly); and Mr. K. T. B. Tressler (Honorary Member).

## PRESIDENT'S ADDRESS.

Rao Bahadur P. Theagaroya Chetty, B. A., the President of the Chamber, in opening the proceedings, said :—

## GENERAL.

We have just entered upon the sixth year of the Chamber's activity. We have every reason to be satisfied with the work we have so far endeavoured to do for the promotion and protection of the interests of the Indian Commercial Community in this Presidency. Our grateful thanks are due, in no small measure, to the encouragement and help which the Government of Madras, and through them, the Government of India, have uniformly given us in all our endeavours. But for such assistance, our services to the cause of Indian Trade and Commerce, should, indeed, have been far less useful than what they have been. The industries and manufactures of a country thrive, if at all, in the sunshine of Government favour, and international commerce ought to be pre-eminently a Government concern. At all events, Indian conditions do require a large measure of State-aid, and if the circumstances of the present War have disclosed anything, it is the need for active co-operation between the Government on the one hand, and the organisations of trade and industry on the other. It should, indeed, have been most gratifying to you all to read the appreciation of the Hon'ble Mr. P. S. Sivaswami Ayyar in the Legislative Council, the other day, while introducing the Madras Port Trust Act Amendment Bill. He referred to this Chamber in these terms :—" Since the enactment of the existing Act, the Southern India Chamber of Commerce has come into existence and has secured for itself an established position. The importance of the interests served by this body has been hitherto recognised by the Government by nominating Members of the Chamber to seats on the Port Trust Board. The Government are of opinion that the time has come for placing the representation

"of this body on a statutory basis. The Bill accordingly provides that two of the Trustees shall be elected by the "Southern India Chamber of Commerce". It is needless for me to say that we are all greatly indebted to the Hon'ble Mr. P. S. Sivaswami Ayyar and to the Government of Madras for this recognition. I may add that our request for direct representation on the Madras Corporation has been noted by Government as deserving of consideration at the time of the amendment of the Madras City Municipal Act. We have also moved in the matter of our representation in the Provincial Legislative Council. I have no doubt that in course of time the Government will be pleased to concede to us the privileges which the Government of Bombay and the Government of Bengal have already conceded to similar institutions in those Presidencies. At the same time, it must be borne in mind that as years advance our responsibilities to the interests represented by us are growing greater, and unless the community as a whole becomes more and more alive to such responsibilities and enables us to carry on our work successfully, our endeavours in their behalf cannot possibly bear much fruit.

### OUR CROPS.

The past year has been good on the whole to agriculture. It has been good for rice, and the total outturn of this crop has been estimated to exceed that of recent years. It has also been good to the several industrial crops of this Presidency. The groundnut crop was estimated at a little less than 600,000 tons of nuts in shell. Cotton, another staple produce, was estimated at over 320,000 bales of 400 lbs. each. The sugarcane crop was estimated to yield 158,000 tons of jaggery. Though there was a slight fall in gingelly, there was no reason for any apprehension in respect of its yield. Even indigo fared better, with an estimated yield of 681 tons of dye, as compared with 574 tons last year. The monsoons were, on the whole, favourable and the general agricultural

conditions satisfactory. It is these conditions that always affect the trade of a year, but this year it was not the monsoons, nor was it the yield of crops that disturbed our trade, but it was the War.

## WAR AND FOREIGN TRADE.

This is the eighth month of the War. It began in August last, and since then, there has been a steady fall in the imports of our foreign merchandise as well as in the exports of Indian merchandise. In the Port of Madras, Foreign imports fell by Rs. 25.37 lakhs in August; Rs. 57.84 lakhs in September; Rs. 40.28 lakhs in October; Rs. 48.76 lakhs in November; 55.06 lakhs in December and Rs. 67.31 lakhs in January. The same has been the case with regard to the exports of Indian merchandise from this port. The figures under this head show a fall of Rs. 53.17 lakhs in August; Rs. 49.76 lakhs in September; Rs. 6.94 lakhs in October; an increase of Rs. 7.14 lakhs in November; a fall of Rs. 20.02 lakhs in December and another fall of Rs. 25.95 lakhs in January. Taking the exports from the Subordinate Ports of this Presidency, we observe a fall of Rs. 47.70 lakhs in August; Rs. 53.45 lakhs in September; Rs. 39.22 lakhs in October; Rs. 10.38 lakhs in November; Rs. 34.25 lakhs in December and Rs. 47.51 lakhs in January. Thus, the foreign imports and the Indian exports of Madras, together with the exports of Indian merchandise from the rest of the Presidency show an aggregate fall of  $6\frac{3}{4}$  crores of rupees in value during the first seven months of the War. Excepting in the month of December, the Coasting Trade of the Presidency has also shown a steady decline. The heaviest fall was in October. Of the several Madras imports, Piece-goods show a steady decline. The fall in the value of the imports of this article has exceeded Rs. 117 lakhs in the value during this period. Taking the Presidency as a whole, the import of Piece-goods, in the eleven months commencing April last, show an appreciable decline under the three heads of Grey, White and Coloured

goods, aggregating over Rs. 127 lakhs, in value. The noteworthy feature about the trade in Piece-goods is not so much the reduction in imports, which is due to the War, and the absence of tonnage, but the slump in the market. There are heavy stocks in the godowns and in the bazaars, in spite of the smaller imports. The dealers are anxious to dispose of their goods, though at a loss, and yet goods do not move off easily. The heavy fall in the general export trade has curtailed the purchasing power of the people and the tightness of money has only aggravated the situation. The Banks as well as the professional money-lenders have considerably contracted their credit, notwithstanding the admitted profusion of Banker's money. It must certainly be an interesting study to investigate the amount of credit dispensed or withheld during these war months and the proportion these credits bear to the available balances of the Banks and the Bankers' Bank. Such an investigation will, I am sure, reveal the fact that the Indian Piece-goods dealers of Madras have been hard hit. Let me pass on to the imports of Metals. Under this class, there has been a fall of nearly half a crore of rupees in value. Similarly, under Railway Stores and Yarn and Twist, though on a smaller scale. The principal exports of the Presidency fared likewise. Cotton, Oil-seeds Hides and Skins were all affected considerably. Let me refer in some detail to one or two of these. Taking ground-nuts, during 11 the months ending February 1914, this Presidency exported to foreign countries Rs. 287 lakhs worth of the article. During the corresponding period this year, the exports have not exceeded Rs. 171 lakhs in value—a loss of over a crore and 16 lakhs. The foreign markets are practically closed now and this year's crops are lying uncared for in the country. There is a feature about this trade which is noteworthy. For some time past, Bengal has been taking considerable quantities of the article. Precisely what use they are making of it, we are not yet fully aware. This year, Bengal has so far taken more than three times the quantity

taken by her during these months in the past year and has paid us over Rs. 47 lakhs, against Rs. 10½ lakhs in the previous year. The exports of cotton have shown during the last eleven months, a fall of over 170,000 cwts. and nearly 80 lakhs of rupees in value. The exports of Hides and Skins in Madras fell by nearly Rs. 60 lakhs in the first two months of the War, and somewhat revived in the next two months, only to fall again. The Government embargo on this export and its withdrawal are referred to in the report before you. The trade in hides has been hampered in the last few months, and continues to be affected still by the inevitable uncertainties of the War. I have only referred to the most important articles of import and export. It is too soon yet to trace the full effects of the war on the trade of the country. The future of trade is full of anxiety, and in view of the growing precariousness of trade earnings, I would make an earnest appeal to Government to administer the income-tax to the trades and professions as generously and sympathetically as possible till normal conditions are restored. During the War, a considerable number of Proclamations, Ordinances, Orders in Council, Press Communiques, Notifications, Government orders and Other communications have been received by the Chamber. The subject of trading with the enemy has claimed particular attention, and the exigencies of the situation have demanded a constant revision and modification of Government orders and regulations relating thereto. The lists of articles of absolute contraband and conditional contraband of War have undergone a number of alterations. The financial arrangements consequent on the War, including the control of Foreign Exchanges, our gold issues, Government and Bank balances, and remittances to and from the Secretary of State for India, not to speak of the manipulation of the Gold Standard and Paper Currency reserves, have been the source of another crop of official communication. Then there are the numerous prohibitions imposed on the export trade of the country, besides various miscellaneous matters such as

the use of commercial telegraphic codes, the working of Prize Courts, the safety of Trade routes and the like, all of which have aroused an amount of interest in the commercial community. The mass of correspondence and communications the Chamber has received on these and similar subjects are being carefully analysed, arranged and abstracted by the Secretaries for the use of the Members, and will be issued separately. I pass on to a consideration of the question of our industries.

### THE STATE AND INDUSTRIES.

I have been speaking to you on this subject at every one of our Annual Meetings. It is the one subject, more than any other, which I have repeatedly striven to place before you. At the last Annual Meeting, I referred to the announcement made by His Excellency Lord Hardinge in the course of his reply to the several addresses of welcome presented to him in Madras, *viz.*, that the creation of a separate Department of Industries had been recently sanctioned for Madras, in the hope that it might further the industrial progress of the Presidency, that it would start on its career with the best wishes of all, and that the result of its labours would be watched with the greatest interest in every part of India. It is unnecessary for me now to repeat what I have often told you regarding the vicissitudes of this Department. When I expressed the hope in March last, that with the revival of this Department its work would be commenced in a whole-hearted and encouraging spirit, with the one object of aiding and advancing existing industries and finding fresh scope for real industrial activity, I never dreamt that within the space of a few months, the whole question of the relationship between the State and Industries would demand the special attention which the circumstances of the present war have necessitated. Adversity has also its uses. This war has made strange conversions. It has changed the faith of some of the most bigoted, and the situation created by the war has compelled a readjustment of economic theories and industrial policy, even in free England.



The orders of the Secretary of State referred to by the Viceroy were received in April last, and far from initiating any change of policy, the Secretary of State contented himself with re-affirming his predecessor's decision against the extension of the activities of the Department to trading on commercial lines. While, however, pointing out, at the same time, that the Government of Madras had placed too limited a construction upon the Despatch of Lord Morley in 1910, he was prepared to recognise that consistent with the policy then enunciated, instruction in Industrial Schools might be supplemented by practical training in the workshops, where the application of new processes might be demonstrated. He added that he had no objection to the purchase and maintenance of experimental plants for purposes of demonstrating the advantages of improved machinery or new processes and for ascertaining the data of production. This was all that he was prepared to allow. In assigning the functions of the Director of Industries, the Government of Madras laid it down that they shall consist (1) in collecting information as to existing industries, their needs and the possibility of improving them or of introducing new industries; (2) in carrying out and directing experiments connected with such enquiries; (3) in keeping in touch with the local manufacturers to bring the results of the Department's experiments to their notice and to obtain their co-operation in the conduct of operations on a commercial scale; (4) in supervising the training of students, and (5) in advising the Government with regard to technical matters involving legislation. It was under these auspices that the new Department of Industries commenced its work. There was the usual listlessness, though the Director and his Experts were doing their best. Now came the War, I should think as a God-send, for this Department. The question of the prosecution of enquiries into the possibility of creating in this Presidency industries to produce those articles, of which the importation had been interrupted by the War in Europe, came to be prominently discussed in the Daily Press. The

question divided itself into two, namely (1) whether it would be possible to establish entirely new industries not in existence and (2) whether competing industries already established in this country might develop their operations, so as to secure a firmer hold on the market. As regards the former, there were the difficulties consequent on the employment of experts, the building up of factories, erection of machinery and the provision of capital; and as regards the latter, what was wanted was the supply of all available information and advice in the power of the Department to give, to capitalists and manufacturers who desired to take advantage of the same. The Government of Madras made a clear statement of the position, and while regretting that they were precluded by the orders of the Secretary of State from themselves embarking on commercial undertakings, offered to give through their officers all possible assistance by way of advice and information. They did not stop here. Interesting notes on the economic situation in India generally, and on certain special industries, such as tanned hides, tanned skins, dyeing and groundnuts were caused to be prepared by the Director of Industries, in pursuance of this undertaking. The Director was also asked to demonstrate to private enquirers the methods of working the Anderson's Oil Expeller, which the Department had already purchased, and to give all possible assistance and advice to those who desired to erect a similar plant. This was followed by further notes on special industries, in particular on the prospects of the renewal of groundnut exports and the importance of developing a new market for this crop. The position of the dyeing industry was also further noted upon. The next endeavour was to assist the export trade of this Presidency in cocoanut products, ground-nut and cotton, which had been dislocated as the result of the War. The Government put themselves in communication with the Government of India, and the Secretary of State and certain other authorities and obtained such information as they could regarding the possibility of reviving and developing the export trade which had

been affected. While these endeavours were being made to relieve the situation, it became known that steps were being taken by the Imperial Government to enable the English manufacturers to hold their own with German competitors in the Dye Industry. It was announced later that in view of the deficiency of dye stuffs and colours owing to the cessation of supplies from Germany, it was proposed to form a large supply company and that the Government of Great Britain had indicated its willingness to subscribe a portion of the share capital and guarantee interest on a large debenture issue. About this time, the subject of the State development of industries came up for consideration before the Provincial Legislative Council. It was urged that the Local Government might be pleased to move the Secretary of State for India to reconsider the orders already passed whereby they were precluded from embarking on commercial undertakings calculated to develop internal industrial resources and make the country less dependent on foreign countries. Instead of leaving the development of industries to private enterprise, it was further urged that Government should embark on industrial undertakings of all kinds on a commercial scale, to serve as object lessons and incentive to private enterprise. It was also recommended that a beginning might be made by starting on a commercial scale, employing European experts, if necessary, industries connected with oil-seeds, namely, crushing seeds, refining oils and manufacture of soap, glycerine, candles, tallow, lard and other products. There was a full-dress debate in the Council, in the course of which the Hon'ble Member in charge of the Department assured the Council that, if it was shown that the Government in England had changed its policy in consequence of the outbreak of war, in a manner which would justify the Local Government in addressing them again, this Government would be quite prepared to consider the possibility of again suggesting to the Secretary of State, the desirability of re-considering the limitations which had been placed on them. The statement which he made that the

Madras Government were extremely anxious to assist in this matter, and that if any fair means or opportunity of further assistance to industries occurred, they would be very glad to take advantage of the same, was really very encouraging. There were several small experiments recommended by the Director of Industries, and the Government of Madras had placed him in funds in regard to them. A great deal, however depended on the attitude of the British Government. If there was any change in that attitude, the Local Government undertook to move the Secretary of State for a similar change here. In the middle of December, an Agricultural and Trade Conference was held in Madras. This Conference dealt with the subjects of cotton, ground-nut, sugar, manures, cocoanuts, tobacco, jute, wool, etc. The proceedings of this Conference have not yet been fully published, but there is no doubt that much has been done to improve the conditions of production and the marketing of these agricultural products, on which the foreign trade of the Presidency very largely depends. During the Congress and Conference Session in Madras last Christmas, public interest in the question of State and Industries was aroused on an even larger scale. The resolution adopted at the last Indian Industrial Conference urged that the representatives of the people should obtain fiscal autonomy in regard to the imposition of duties both on exports and imports; that the State should aid the starting and pioneering of new industries; that the Government, along with a policy of free primary education, also impart technical, industrial and commercial education; that a complete industrial survey of the country should be undertaken; and that a College of Technology should be established. The subject was keenly discussed by representatives from all over the country. In my address to the Delegates, as the Chairman of the Reception Committee, I insisted on the urgency and importance of the steps to be taken to move the Secretary of State to reverse his policy. So long as that policy was in force, it was not possible to expect any appreciable progress in the development

of our industries. The subject assumed even greater importance, when the other day a Member of the Imperial Legislative Council moved that the Government of India might be pleased to invite the opinions of Local Governments and Administrations on the desirability of promoting industrial enterprise, by loans on the lines of *taccavi* advances. Though the framing of the Resolution was such as not to embrace the whole question, there was a lively and elaborate discussion in which several representatives of the people took part. The Hon'ble Member for Commerce and Industry while declining for reasons, which he fully stated, to agree to the precise proposals put forward, assured the Council that the Government of India were fully in sympathy with the objects which the Resolution contemplated, and that they had not, at the same time, neglected the means to attain that object or been ungenerous in the help which they had given to the trade. The Resolution was eventually modified into a recommendation that in view of the opportunity afforded by the cessation of imports from hostile countries, the Government should afford such assistance and co-operation as might be practicable, for the promotion of industrial enterprise in India. The measures taken by the Government of Madras to help the situation created by the war were explained in detail by the Hon'ble Mr. Carr, the official representative of the Local Government in that Council. He stated that the Madras Government had advanced a sum of nearly two lakhs of rupees for the starting of special work in connection with industries, in which the economic situation appeared to justify the hope that something new might be done. He referred to the work that had already been started by the Department of Industries on the Pencil Factory in Coconada, on the revival of the Glass Factory in Madras, on oil-pressing experiments and on experiments regarding oil-refining and soap making. The object of the experiments in connection with oil-pressing is to try and demonstrate that oil can be expressed on a commercial scale in this country. The Department expects to be able shortly

to start an oil-pressing business and to further investigate the possibilities of extracting oil on a wholesale basis in this country, both for the purposes of supplying the local market and also with a view to testing whether the export of oil can be undertaken with any chance of financial success. With this object in view, the Government of Madras have allotted a lakh of rupees. These facts were announced at the Imperial Legislative Council, and the public had an official statement of what was being done in this Presidency. The Member for Commerce and Industry, for his part, described the measures taken by the Government of India on the same or similar lines. He referred to the pamphlets issued by the Commercial Intelligence Department dealing with the different industries concerned; to the exhibition of samples of imported German and Austrian goods and of Indian manufactures which compete with them; to the Conferences so far held and to the special enquiries caused to be held into the possible expansion of existing industries; to the allotment of funds for these enquiries; and lastly to the appointment of an Indian Trade Commissioner in London to work in close touch with the British Board of Trade. He referred also to the Conference which considered the cotton situation in Bombay and to the steps taken to mitigate the hardship caused by the curtailment of credit and the withdrawal of financial facilities. On the subject of the increased loans to the Presidency Banks, and the decision to borrow on this account from the Paper Currency Reserve, the Hon'ble Mr. Surendranath Bannerjee joined issue on the ground that in the case of Indian concerns the Banks were timid and shy in making advances on securities, a statement which, for his part, he has undertaken to substantiate, and the Hon'ble Member for Commerce and Industry, for his part, to enquire into. This aspect of the matter will have a special interest for you, in view of the proceedings of this Chamber relating to the Presidency Banks, summarised in the Report before you. The details of the British Dye scheme have also been stated in the form of a

Press Communique, and it transpires that a Company is to be formed with a capital of two millions sterling, of which one million would be issued in the first instance. The Imperial Government is to make a loan to the Company of a sum equal to the subscribed capital up to a million sterling. Interest is to be charged on the loan at 4 per cent. payable out of the net profit. The term of the loan is limited to a period of 25 years. It is also proposed that His Majesty's Government should make a grant for ten years for the encouragement of research work of a sum not exceeding in the aggregate £100,000. Two of the Directors are to be Government Directors. The Government of India are not, however, participating in the Scheme.

I have narrated this somewhat long account to you at the risk of tiring you. I felt it necessary to acquaint you with a connected account of events relating to this subject, since I last addressed you. More especially did I deem this account necessary in view of the extraordinary conditions of the present year. It were well to know exactly what advance we have made during these twelve months before we shape our views in regard to the future. It seems to me, and I trust you will agree with me, that though the Government of India generally, and this Government particularly, have done several things within the limitations imposed on them by the Secretary of State, and there are possibilities of appreciable good coming out of their endeavours, they have not been able to take as yet as full an advantage of the present conditions caused by the war, as the needs of this country deserve or as they are called upon by such needs to take. The industrial regeneration of a country like India, with its teeming millions, and its agricultural predominance, cannot possibly be effected by these measures, however sincerely conceived and carried out. The war will cease. Its effects will eventually disappear. The present palliatives will not enure for the lasting growth and development of industries in India. India cannot be made an industrially great country by pamphlets and itinerating

exhibitions, however useful they may be. An Indian Trade Commissioner at the Board of Trade, however able, cannot make India an industrial or manufacturing country. No feeble measures will suffice. There must be a bold and forward policy. What India wants is protection for her infant industries in the fullest and amplest sense of the term. Without a robust adherence to the principle of protection on the part of the Government of this country, there can possibly be no advance. A change is coming over free-trade England. Possibly before the war is over, England may veer round to the other side. But whatever England may do or may not do in this respect, India cannot advance without State-aid and State protection, in the present state of her economic and industrial conditions. Until we get it, we will be only where we are. I see with satisfaction a change is gradually coming over even those whom we never expected would see eye to eye with us in this respect. The future is not without hope.

### CONCLUSION.

We are passing through the most momentous times in the history of the Empire, nay of the world. The part which this country is playing in the titanic struggle in progress is by no means insignificant. We are sacrificing men and money on a scale which is without a precedent in recent or remote times. Our loyalty and devotion are admitted on all hands. Responsible men at the helm of affairs have said that by reason of her participation, India is no longer a dependent, but a partner of the Empire. We have been told that this partnership in spirit and on the battle-field cannot but alter the angle from which the Imperial Government would henceforward look at the problems of the Government of India. We are not without hope for the future. If there is any one hope which is more widely shared by the country as a whole than anything else, if there is any one hope which is at the root of India's moral welfare and material prosperity more than any others, it is the hope of a larger share in the world's



life of to-day, the hope of India becoming one day a great manufacturing, agricultural and commercial country. For the realisation of this hope, this pleasant dream of our future, we look fervently, with devotion, patience and faith to England. We shall then be amply satisfied for all the sacrifices we have made and we are going to make in the cause of the Empire.

### OUR CHAMBER'S INTERNAL AFFAIRS.

As regards our Chamber's purely internal affairs, we have the issue of our Debenture Loan on hand, though 75 per cent. of the proposed loan has been already promised. But for the untoward circumstance of the War, we should have concluded this transaction during the year. Then there is the subject of the Chamber's Journal. Our small beginnings in this respect, in the form of a fortnightly sheet giving market reports, were considerably improved upon, and in course of time the South Indian Trade Journal came to be an interesting and useful publication. The scope of the Journal was enlarged, and it was with a view to ensure its permanence and efficiency as an organ of the Chamber, to assist us in the advancement of the commercial interests of the Presidency, that we decided to take it back from those who were running it, at our instance, at a considerable sacrifice to themselves. A small Sub-Committee was appointed to conduct and carry on the Journals. It has not so far been possible to do so, and I have requested our friends, Messrs. Kuddus Badsha Sahib, Govindoss Chathurbujadoss, Ramanujam Chetty, Vidya Sagar Pandya and Muthuswami Naidu to devise ways and means for immediately undertaking the Journals. I hope and trust we shall be able to revive the Journals in the immediate future. There is a large scope for this publication. The interests of trade, internal and external; of our industrial undertakings; of Banking and other joint stock institutions; of Co-operative Credit Societies; of industrial agriculture; and of the several other Indian Chambers of Commerce, Trades Associations and the like, which are springing in the country; not to speak of

the movements of trade, money, shipping and the fluctuations of markets, local and foreign ; do all demand the aid of a periodical, to be issued under our own authority, and likely to reach as many members of the trading and commercial community as possible, and be of real benefit to them. I once again express the hope that our friends, to whom I have specially appealed, will enable us to realise this cherished object. As regards the strength of the Chamber, I am not satisfied with the adequacy of the interests represented. The Piece-Goods Trade and the Hides and Skins Trade are the principal trades in Madras. The trade in Oil-seeds and Cotton in the Districts are equally important. Then there are the private bankers and money-lenders, including the prosperous and enterprising classes of Nattukottai Chetties, and the Guzerati, Marwady and Bania gentlemen. There are also the Manufacturers and the Mill-owners ; and the owners of Cotton Presses, Rice-mills, Oil-mills, Saw-mills, Sugar-mills, Iron foundries, etc. There is a considerable number of Joint Stock concerns in the country. There are also large grain dealers. All these and other interests ought to be fully represented in the Chamber, and I am anxious that a systematic survey of the country comprised within the limits of this Presidency should be undertaken and efforts made to secure as much representation of these interests as possible, in our organisation. I commend the subject for the immediate and careful consideration of the Chamber. I trust the Executive Committee which you will elect to-day will set itself vigorously to this work. I look forward to your co-operating heartily and endeavouring, each in his own way, to enlarge the scope of our work and enhance the sphere of our usefulness. I confess I look back with no little satisfaction upon our organised efforts during the past five years. But our institution is still such an infant that this is not the time for any retrospect but for laying broad and deep the foundations of future service to the cause and the interests we have all at heart. The responsibility of the younger members of the

community is all the greater, as theirs is the success, and theirs the glory in the years to come."

MR. K. T. B. TRESSLER.

Gentlemen,—“When I came here this evening, I had no idea that so considerable a part of the Chairman's speech would be devoted to me. It may perhaps be regarded as appreciation but that form of appreciation has its reverse side. I am not quite certain whether the mention of the Department is to be considered as recognition of the work already done or as a complaint that much has not been done by way of improving industries. The Chairman presses me to make a statement of policy, which is just one of the things that a Government servant fights shy of. But I will do this, since in your report you have criticised my department, I will return the compliment carrying the war into your camp. In regard to industries there is a certain point beyond which Government cannot go. What we can deal with is Manufacture; works management and such like, but one of the first essentials of industry is to find out what people want to buy and sell to the best advantage. This is a matter in which Government has to look to the mercantile community, and what I wish to make clear is that, if industries are to develop in this country, that burden lies just as much on the commercial community as on the Government.

The work that the Department has been doing, the Chairman's speech has already explained. I have ordered a plant for the extraction of oil of export quality. As I have no doubt that many members here know more of the Oil trade than I do, I need not explain that a business of this kind is capable of much expansion.

We have started a Pencil factory in Cocanada and have got to a certain point. We have made pencils; we have the graphite, but it requires some more refining before it can be placed in the market. We have also tried to get suitable wood from the Forest Department. The experiment is

extremely satisfactory to me, and here in India, everybody expects results within a fortnight, and perhaps some of you will be disappointed. So also with glass, we have made bottles, most of which burst. I consider this progress satisfactory also; perhaps you don't; but what we are doing is to make good our ground, as we go and I am strongly of opinion that unless one starts from the beginning and advances step by step, no lasting results can be achieved. In addition to these we have also been investigating experiments to manufacture soaps. As however my hands are full with other works, I have made arrangements with Mr. Chatterton to undertake this work and to keep me informed. I hope shortly to introduce a new variety of Swadeshi soap and call it "Moonshine" in competition with "Sunlight." There is a Candle factory already in existence and I hope to develop this when we can supply stearine."

#### ADOPTION OF ANNUAL REPORT.

Mr. P. N. Muthuswami Naidu moved—

"That the Annual Report for the year (March 1914 — February 1915) be adopted"

"That this Meeting do stand adjourned *sine die* for confirmation of Balance Sheet"

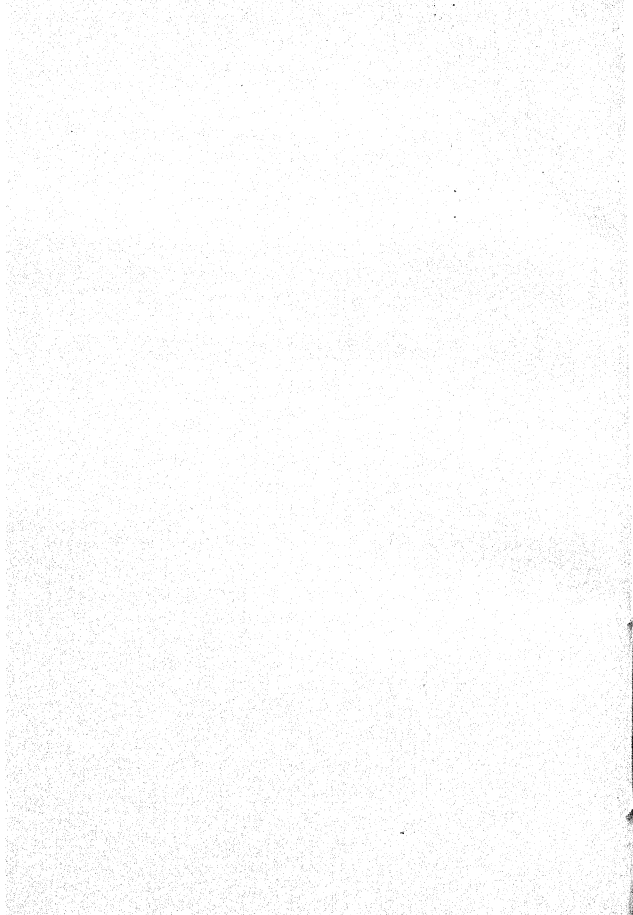
"That the accounts of the year under report be now made up to the end of December 1914, and that, in future, the account year be taken to be the 12 months commencing from January of each year."

The motion on being duly seconded and supported was carried unanimously.

#### ELECTION OF OFFICE-BEARERS.

The Office-Bearers, including the Executive Committee, were then elected.

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# THE SOUTHERN INDIA CHAMBER OF COMMERCE, MADRAS.

**Office-Bearers—March, 1915.**

*President :*

1. Rao Bahadur P. Theagaroya Chetty, B.A.

*Vice-Presidents :*

2. Khan Bahadur M. A. Kuddus Badsha Sahib.
3. Dewan Bahadur Govindoss Chathurbhujadoss.

*Honorary Secretaries :*

4. M.R.Ry. P. N. Muthuswami Naidu, B.A.
5. Moulana Abdus Subhan Sahib, Esq.

*Members :*

6. The Secretary, Indian Bank, Ltd.
7. M.R.Ry. C. T. Alwar Chetty Garu, B.A.
8. M.R.Ry. V. Arunagiri Naidu Garu, B.A.
9. Rao Sahib G. Subbiah Chetty Garu.
10. M.R.Ry. Chitti Babu Naidu Garu, B.A.
11. The District Traffic Superintendent, S. I. Ry.,  
Egmore.
12. M.R.Ry. C. Ramanujam Chetty Garu (Messrs.  
King & Co.)
13. M.R.Ry. M. Venugopaul Naidu Garu.
14. Khan Bahadur Waljee Laljee Sait.
15. Yakub Hassan Sait, Esq.
16. Muhammad Moosa Sait, Esq.

17. Meer Abdur Rahiman Sahib, Esq.
18. C. Abdul Hakim Sahib, Esq.
19. Hajee Muhammad Haneef Sahib, Esq.
20. Hajee Hakim Muhammad Abdul Azeez Sahib, Esq.
21. M.R.Ry. S. V. Ramaswamy Mudaliar Avl.
22. M.R.Ry. C. Srinivasa Chariar Avl.
23. M.R.Ry. C. Gopal Menon Avl.
24. Rao Bahadur G. Narayanasawmy Chetty Garu.
25. M.R.Ry. T. Seetharam Chetty (Messrs. Moses & Co.)
26. Haridoss Visanjee, Esq.
27. Messrs. Aswin & Co.

*Assistant Secretary.*

28. C. Duraiswami Aiyangar, B.A.
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## CORRESPONDENCE.

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### Nominations to the Port Trust.

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FORT ST. GEORGE,  
*Madras, 4th March 1914.*

D. O. 174-2.

DEAR SIR,

Under Section 11 of the Madras Port Trust Act, 1905, the term of office of the present Trustees of the Port of Madras expires on the 31st March 1914 and new Trustees have to be appointed for a term of two years with effect from the 1st April. In order to assist the Government in making appointments of Indian Members to the Board I am desired to ask the South Indian Chamber of Commerce to suggest three names of "Natives of India residing in the City of Madras" suitable for appointment.

Yours truly,  
(Sd.) A. J. CURGENVEN.

M. R. Ry.

Rao Bahadur P. Theagaroya Chetty Garu,  
President, Southern India Chamber of Commerce,  
Madras.



THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 17th March 1914.*

No. 15.

From

Rao Bahadur P. Theagaroya Chetty, B.A.  
President, Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to Government,  
Fort St. George.

SIR,

I have the honour to thank you for your invitation to suggest three names of "natives of India residing in the City of Madras" to assist the Government in making appointments of Indian Members to the Port Trust, contained in your D. O. of the 4th March 1914.

2. In view of the urgency of the matter, a Special Meeting of the Executive Committee of the Chamber was convened for Monday the 16th March 1914, at which the names of the following three gentlemen were returned by ballot :—

- (1) Dewan Bahadur Govindoss Chatheorbhoojadoss, of Messrs. Chathoorbhoojadoss Khoosal-doss & Sons.
- (2) M. R. Ry. C. Ramanujam Chetty Garu, of Messrs. King & Co.
- (3) Rao Bahadur P. Theagaroya Chetty, B.A.

I have therefore the honour to forward the above three names as suitable for appointment to the Port Trust Board.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

(Sd.) P. N. Muthuswami Naidu,

*Secretary.*

GOVERNMENT OF MADRAS,  
MARINE DEPARTMENT.

ORDER :—

*No. 122, dated 26th March 1914.*

The following notifications will be published in the *Fort St. George Gazette* :—

NOTIFICATION I.

The following gentlemen have been elected, under Section 9 of the Madras Port Trust Act, 1905 (II of 1905) by the Members of the Madras Chamber of Commerce and of the Madras Trades Association to be Trustees of the Port of Madras with effect from the 1st April 1914 :—

- (1) The Hon'ble Sir Hugh S. Fraser, *Kt.*
- (2) Mr. C. B. Simpson.
- (3) Mr. H. P. M. Rae.
- (4) Mr. R. Greenall.
- (5) Mr. G. U. Cuddon.

II.

Under Section 10 of the Madras Port Trust Act, 1905 (II of 1905) the Governor in Council is pleased to appoint the following gentlemen to be Chairman and Trustees of the Port of Madras with effect from the 1st April 1914 :—

CHAIRMAN : 1. The Hon'ble Sir Francis J. E.  
Spring, K. C. I. E.

- TRUSTEES : 2. Mr. Harold Haynes Hood.
3. Commander W. B. Huddleston,  
R. I. M.
  4. Mr. Archibald Henry Morin.
  5. M. R. Ry. Diwan Bahadur Govindoss Chathoorbhoojadoss Garu.
  6. M. R. Ry. Rao Bahadur Pitty  
Theagaroya Chetty Garu.

7. M. R. Ry. C. Ramanujam Chetty  
Garu of Messrs. King & Co.

8. Khan Bahadur Muhammad Abdul  
Kuddus Badsha Sahib.

(True Extract)

(Sd.) C. S. ANANTARAMA AIYAR,  
for *Chief Secretary*.

To

The President,  
The Southern India Chamber of Commerce.

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## Fireworks Magazine.

OFFICE OF THE CHAIRMAN,  
MADRAS PORT TRUST,  
*Madras, 5th March, 1914.*

No. G. 1792.

From

The Chairman,  
Madras Port Trust.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

With reference to correspondence ending with my letter No. 1533, dated 16th January 1914, on the subject of magazine accommodation for fireworks imported at Madras, I have the honour to invite your perusal of *Fort St. George Gazette* Notification No. 14, dated the 25th February 1914—*vide* page 295 of Part I of the *Gazette* of March 3rd—promulgating certain RULES FOR THE LANDING AND SHIPMENT OF EXPLOSIVES AT THE PORT OF MADRAS.

2. It ought now to be possible to come to a decision on the subject of the construction of a suitable magazine for fireworks, and I have the honour to invite, for the consideration of the Trustees of the Port, an expression of any advice that your Chamber may have to offer on the subject.

3. *Manufactured Fireworks* come within Division 2 of Class 7 of the classification laid down in Government of India C. & I. Notification No. 4555-4 dated the 31st May 1907 as amended by Notification No. 4896-1 dated the 9th July 1910. The handling of them at Madras is governed by Rules (f) and (j) of the New Rules now promulgated. That is to say, that while a vessel having manufactured Fireworks on board may enter the enclosed harbour, her fireworks, so long as she remains in the harbour, must be kept locked in a properly constructed magazine and can only be put over side under Rule (j) when she shall have quitted the harbour for an outer mooring, or, as the alternative, before she shall have entered the harbour.

4. It suggests itself that a conference on the subject may be useful, and I shall be prepared to meet those interested in the fireworks trade at 4-30 P. M. at this office, on any day convenient to you between the 9th and the 12th of March inclusive.

I have, etc.,

(Sd.) FRANCIS J. E. SPRING,

*Chairman.*

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*Madras, 4th April 1914.*

The Secretary,

The Southern India Chamber of Commerce,

Madras.

SIR,

With reference to the personal interview we had with the Chairman of the Madras Port Trust on the 23rd ultimo regarding the proposed new fireworks

magazine, we are greatly indebted to this gentleman for so kindly pointing out to us the site of the new building, which we consider will be most convenient to all concerned. In view of this long-felt want, which Government has been so good as to sanction we are now indenting for our season stock with the full hope that the magazine will be completed by the 1st August by which time goods will begin to arrive.

We trust that the Chairman will, in his usual energetic spirit, have the building completed by that time, for which we will be under a great obligation to him. Please correspond to the address below.

We beg, etc.,

(Sd.) P. THEPERUMAL CHETTY

5, Hanumantharayan  
Coil Lane,  
Park Town. }

& OTHERS.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 16th April 1914.*

No. 74.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,

Madras.

To

The Chairman,

Madras Port Trust,  
Madras.

SIR,

I have the honour to enclose for your information and necessary action a copy of a communication from the Fireworks importers of Madras.

It is needless for me to urge the importance of the proposed magazine being completed in time for this year's season. An assurance from you that the magazine will be available to them for the coming season will greatly relieve them of their anxiety.

I have, etc.,  
(Sd.) M. A. KUDDUS BADSHA,  
*for President.*

Encl : 1.

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OFFICE OF THE CHIEF ENGINEER,  
MADRAS PORT TRUST,  
*Madras, 20th April 1914.*

No. 163.

From

The Chief Engineer,  
Madras Port Trust.

To

N. Venkatarayalu,  
No. 8, Guruvappan Street, Madras.

In reply to his letter to the Chairman, dated the 16th April 1914, N. Venkatarayalu is informed that the Assistant Engineer in charge of the work promises to have the new magazine ready for the storage of fireworks by the end of July 1914.

(Sd.) FRANCIS J. E. SPRING,  
*Chief Engineer.*

No. 164 dated 20-4-14.

Copy to the Southern India Chamber of Commerce for the information of members interested.

(Sd.) FRANCIS J. E. SPRING,  
*Chief Engineer.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 23rd April 1914.*

No. 82.

M. R. Ry. P. Thepperumal Chetty Garu,  
73, China Bazaar Road,  
Madras.

DEAR SIR,

With reference to your enquiry regarding the construction of a fireworks magazine in the Madras Port Trust, we have been informed that arrangements are being made by the Port Trust to have the new magazine ready for the storage of fireworks by the end of July next.

Yours faithfully,  
(Sd.) V. ARUNAGIRI NAIDU,  
*Secretary.*

*Madras, 13th July, 1914.*

The Secretary,  
The Southern India Chamber of Commerce,  
Madras.

*Fireworks Magazine.*

SIR,

We understand from your letter of the 23rd April 1914 that the new Magazine which is now in course of construction by the Port Trust will be ready at the end of this month. We beg to inform you that we are expecting a consignment of sparklers by the S/S "Strostburg" which is due to arrive here about 22nd instant and we should be glad to know what arrangements the Port Trust could make for the storage of these goods in the meantime.

We beg, etc.,  
(Sd.) P. THEPPERUMAL CHETTY & OTHERS.

## NOTICE TO IMPORTERS OF FIREWORKS.

Importers of fireworks are informed that the Port Trust magazine is now ready for the storage of their consignments of fireworks.

2. The magazine will only be opened for three hours daily from 11 a. m. to 2 p. m. for the reception and delivery of fireworks.

3. Consignees will be permitted to take piecemeal delivery of fireworks according to the police licenses in their possession; but sales of fireworks will not, on any account, be permitted at the magazine.

4. Consignments of fireworks will be landed outside the harbour in accordance with the rules under the Explosives Act published by Government.

5. Fireworks will be conveyed by the Port Trust from the place of landing to the Port Trust magazine on receipt of previous intimation from consignees that they wish to store their goods in the Port Trust magazine. The notice referred to should specify the marks and numbers of the cases of fireworks and the name of the steamer in which they are expected.

6. The Port Trust charges for harbour dues and storage on fireworks shall be as laid down from time to time in the scale of rates, with additional charges for special portorage and carting as may be actually incurred.

MADRAS, } (Sd.) H. H. G. MITCHELL,  
20th August 1914. } *Ag. Chairman,*  
Madras Port Trust.

(True Copy).

Forwarded to Mr. Theperumal Chetty and other fireworks merchants for information.

The Southern India Chamber } (Sd.) C. DURAISWAMI AIYENGAR,  
of Commerce, Madras, } *Asst. Secretary.*  
21st August, 1914. }

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## Delivery of Calcutta Mails on Sundays.

459, MINT STREET,  
Madras, 2nd March 1914.

To

The Honorary Secretaries,  
The Southern India Chamber of Commerce,  
Madras.

DEAR SIRS,

As the Calcutta Mail was arriving before the 1st instant, at 11-30 A.M. i.e., two hours after the postal



delivery on Sundays, the Calcutta post used to be delivered on the following day. Thereby we have been put to very great inconvenience. Now that the Mail is arriving from the 1st instant at 9-15 a.m. which is the time for postal delivery on Sundays, I request that the postal authorities may be addressed so that the Calcutta Post also may be delivered on Sundays.

For Dewan Bahadur Govindoss Chathurbujadoss,  
(Sd.) V. JUMNADOSS.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 16th April 1914.*

No. 73.

From

C. Duraiswami Aiyengar, B.A.,  
Asst. Secretary,  
The Southern India Chamber of Commerce.

To

The Presidency Postmaster,  
Madras.

SIR,

I have the honour to enquire whether the Calcutta Mails received on Sundays are as a rule delivered on the same day or on the next day. If there is an unavoidable delay of a day, I beg to be informed for the information of my Committee, whether there are insuperable difficulties in the way of the Sunday mails from Calcutta being delivered on the same day, now that they arrive much earlier in Madras.

I have, etc.,  
(Sd.) C. DURAISWAMI AIYENGAR,  
*Asst. Secretary.*

No. D. D. 6-56.

POST OFFICE,

*Dated, Madras the 18-4-1914.*

From

The Presidency Postmaster, Madras.

To

The Asst. Secretary,  
The Southern India Chamber of Commerce,  
North Beach Road, Madras.

SIR,

With reference to your letter No. 73 dated the 16th April 1914, I have the honour to say that Calcutta mails received on Sundays and other Post Office holidays are issued for delivery on the same day. A copy of the postal notice issued in the matter is enclosed.

I have, etc.,

(Sd.) K. V. LINGHAM,

*Presidency Postmaster.*

[ENCLOSURE.]

# POSTAL NOTICE.

With effect from the 15th March 1914 there will be two postal deliveries by postmen in the Madras City on Sundays and Post Office holidays instead of one as at present. The mail from Calcutta will be included in the second delivery.

Madras General Post Office, }  
*Dated the 11th March 1914.* }

(Sd.) K. V. LINGHAM,  
*Presidency Postmaster.*

—:O:—

## Proposed Industrial Exhibition in Madras.

THE NATIONAL FUND AND INDUSTRIAL ASSOCIATION,  
*Madras, Dated 20th April 1914.*

To

The Secretaries,  
The Southern India Chamber of Commerce,  
Madras.

DEAR SIR,

We beg to state that at the meeting of the Managing Committee held on the 17th instant it was proposed to hold

an Industrial and Commercial Exhibition in Madras in December next and the following resolution was passed :—

“Resolved that the Reception Committee of the approaching Congress and the South Indian Chamber of Commerce be requested to consider the question of the desirability of holding in December next in Madras an Industrial and Commercial Exhibition and to favour the Association with their views on financial and other aspects.”

As there is very short time before us to take necessary steps for the success of the Exhibition, we request that you will kindly call for a meeting of the Chamber at an early date for the consideration of the matter.

Yours faithfully,

(Sd.) G. SUBRAMANIA AIYAR,

( „ ) C. GOPAL MENON,

*Honorary Secretaries.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
Madras, 23rd April 1914.

No. 79.

The Honorary Secretaries,

National Fund and Industrial Association,

Mount Road.

DEAR SIRs,

We are in receipt of your letter of the 20th instant communicating to us your resolution of the 17th instant regarding the proposed Industrial and Commercial Exhibition in Madras. We are considering the subject at a Special Meeting of the Executive Committee of the Chamber convened for Monday the 27th instant. We shall communicate the Committee's decision in due course.

Thanking you for your kind reference,

Yours faithfully,

(Sd.) V. ARUNAGIRI NAIDU,

*Secretary.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 28th April 1914.*

No. 88.

The Honorary Secretaries,  
 National Fund and Industrial Association,  
 Mount Road.

DEAR SIRS,

Adverting to your letter of the 20th instant and in continuation of our letter in reply thereto dated the 23rd instant, we beg to communicate to you the following resolution passed at a Special Meeting of the Executive Committee of this Chamber held on Monday the 27th instant :—

*Resolution.*

“ Resolved that this Chamber while fully sympathising with the object of holding an Industrial and Commercial Exhibition in Madras in December next, hesitates to recommend the proposal owing to the shortness of time before it and the very small progress that has been made in industries since the last exhibition held in Madras.”

“ This Chamber considers that it would be more desirable to enable intelligent men with special experience to visit Exhibitions in foreign countries and study cottage and home industries in vogue there and to report on the suitability of any foreign appliances and knowledge to the industrial condition of the country.”

We shall be glad to hear from you in due course your final decision in the matter.

Yours faithfully,  
 (Sd.) V. ARUNAGIRI NAIDU,  
*Secretary.*

## Boiler Inspection Committee.

OFFICE OF SANITARY ENGINEER TO GOVERNMENT,  
No. 320 M. *Madras, 16th February 1914.*

From

W. Hutton, A. M. I. C. E.,  
Superintending Engineer,  
Sanitary Engineer to Government.

To

The Secretary,  
The Indian Chamber of Commerce.

SIR,

I have the honour to state that in connection with a proposal to verify the various Acts and Rules relating to Boiler Inspection throughout India, the Madras Chamber of Commerce have recommended to Government the institution of a Committee as in Bengal to perform the functions at present performed in Madras by the Sanitary Engineer to Government in respect of Boiler inspection. The arrangement in Bengal is reported to work satisfactorily and the Government have it under consideration to introduce it into the Madras Presidency, but before doing so they wish to ascertain what difficulties have actually been experienced under the present system that may have led the Madras Chamber of Commerce to wish it changed.

I am directed to request you will be so good as to obtain and let me know the views of your Chamber as to the suggested change and if they are in favour of the proposed change, what experience has caused the Chamber to be dissatisfied with the present arrangement under which the Inspectors of Boilers are subordinate to the Sanitary Engineer to Government and the latter officer disposes of appeals by owners from the decisions of the Inspectors of Boilers.

I have, etc.,

(Sd.) A. DORAISAWMY,

*For Superintending Engineer,  
Sanitary Engineer to Government.*

## THE SOUTHERN INDIA CHAMBER OF COMMERCE.

No. 89.

Madras, 13th May 1914.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce, Madras.

To

The Sanitary Engineer to Government, Chepauk.

Sir,

In reply to your letter No. 320 M. dated 16th February 1914 and your reminder of the 8th May 1914 inviting the opinion of this Chamber on the proposed Boiler Inspection Committee, I have the honour to state as follows :—

In the first place, my Chamber is not in favour of the proposed change. It has no reasons to be dissatisfied with the present arrangement under which the Inspector of Boilers is subordinate to the Sanitary Engineer and the latter disposes of appeals from the decisions of the Inspectors.

Secondly, from enquiries made of the Chief Boiler owners in this Chamber, it would appear there have been no recent cases of any such appeals against the decisions of Inspectors, and nor have cases come to notice of delay or inconvenience in the disposal of appeals by the Sanitary Engineer.

The proposal to constitute a Board in the place of the Sanitary Engineer seems therefore to be uncalled for, and whatever the arrangement in Bengal, so far as this Presidency is concerned, this Chamber is unable to discover any necessity or justification for the same.

In these circumstances, the Chamber is unable to give its support to the proposal contained in the letter under reply.

I have, etc.,

(Sd.) M. A. KUDDUS BADSHA,

for President.

(Sd.) V. ARUNAGIRI NAIDU,

Secretary.

## Classification of Condensed Milk.

CUSTOM HOUSE,

*Madras, 13th March 1914.*

No. R. B. G. 106/M.

From

H. H. Hood, Esquire,

Offg. Collector of Customs, Madras.

To

The Secretary,

The Southern India Chamber of Commerce,

Madras.

SIR,

Under the existing orders in regard to the importation of condensed milk into India a brand is required to be marked "prepared from skimmed milk" if analysis shows that it has been prepared from a milk containing less than 3% of fat. The condensed milk must contain a higher percentage of fat, in proportion to the degree of concentration, three per cent. of fat being the proportion for uncondensed milk. This method of distinguishing between condensed milk and skimmed condensed milk is considered defective inasmuch as it is almost impossible to ascertain the degree of concentration in condensed milk unless this is entered on the label by the manufacturers themselves. The Government of India therefore propose to introduce a system under which the classification of condensed milk should be based on a fixed percentage of fat for each tin. They have under their consideration a suggestion that 12% should be the minimum proportion and that a tin containing fat in a smaller proportion should be required to be marked "prepared from skimmed milk". This figure is based on the supposition that the original cow's milk from which the contents have been prepared contained 3% of fat and that condensation was effected in the proportion of 3 to 1, a ratio generally adopted by manufacturers. The Government are inclined to accept the proposal but before prescribing the procedure for adoption in Custom House, they are desirous of having the views of your Chamber

in regard to the proposed system. Under direction by the Board of Revenue, I have the honour to request that you will be good enough to favour me with your Chamber's opinion in the matter.

I have, etc.,  
(Sd.) G. N. BOWER,  
for *Offg. Collector of Customs.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
Madras, 19th May 1914.

No. 93.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce, Madras.

To

The Collector of Customs, Madras.

SIR,

Adverting to your letter No. R. B. G. 106 of 14 dated 13th March and your reminders of the 22nd April and 12th May, I have the honour to state that my Committee have carefully considered the proposal outlined in your letter—to introduce a system under which the classification of condensed milk should be based on a fixed percentage of fat for each tin. The suggestion that 12% should be the minimum proportion and that a tin containing fat in a smaller proportion should be required to be marked "prepared from skimmed milk" meets with their approval. Any reduction from this figure would not help the distinction between real condensed milk and skimmed condensed milk, and the introduction of the proposed system would be in the best interests of the consumers.

My Chamber is accordingly in favour of the proposal.

I have, etc.,  
(Sd.) M. A. KUDDUS BADSHA,  
for *President.*



## Pier and Landing Dues at Tuticorin Port.

THE TUTICORIN MERCHANTS' ASSOCIATION,  
*Tuticorin, 7th January 1914.*

The Secretary,  
The Southern India Chamber of Commerce,  
North Beach, Madras.

DEAR SIR,

We beg to send herewith copy of a petition submitted by us to the Secretary, Revenue Department (Marine), Government of Fort St. George, Madras, on the recent alteration in the method of assessment bearing on the Pier and Landing Dues collection. The change has struck heavily the merchants who find considerable delay in transacting business with the Port Office and we earnestly beg to request you to back up our petition if you can possibly put a word for us. Thanking you in anticipation,

Yours faithfully,  
(Sd.) S. P. A. SANKARALINGA NADAR,  
(,,) P. M. SHUNMUGA SUNDARAM,  
*Joint Secretaries.*

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[ENCLOSURE.]

*Tuticorin, 7th January 1914.*

From

The Secretary,  
Merchants' Association,  
Tuticorin.

To

The Hon'ble L. M. Wynch, Esq., I.C.S.,  
Secretary, Revenue Department (Marine),  
Government of Fort St. George, Madras.

SIR,

In pursuance of a resolution passed at our Meeting held on Sunday the 21st ultimo, we have the honour to address this humble petition bearing on the subject of PIER AND LANDING DUES COLLECTION AT THIS PORT.

We have to respectfully state that the necessity for approaching you has arisen only after the advent of Captain Icely, the present Port Officer, who has deemed fit to interpret Government Order altogether in a wrong spirit, thus upsetting existing arrangements of assessment. Merchants have rightly to complain that the changes introduced, have resulted in thorough confusion, extra expense and unnecessary worry and trouble. For the last twenty years, a tonnage of three annas per ton on consignments, was collected in the name of Shipping and Landing Dues Committee and successive Port Officers and Auditors of Accounts, having exactly understood the spirit of the framers of the law have followed the procedure so long pursued agreeably to the Government Order enforcing same. So far as merchants are concerned, they had read the order and followed it all these years with the clear conception that Pier and Landing dues of As. 3 per ton as per Bill of Lading were paid on whole consignments with the reservation that fraction of a ton in consignments of even tons was treated as whole. G. O. clearly lays down only this much and this arrangement has worked extremely well. We regret to say that Captain Icely has no power to revise G. O. or to import extra words and meaning not contemplated by the framers of the rule. It is on the move of the Madras Government, G. O. No. 847 was issued and we are sure you will be kindly able to find out, how far Captain Icely is thus justified in revolutionising existing order of things to the grief of merchants, without reference to the Government, especially in view of the fact that G. O. was understood for the last two decades to mean all one way.

The exact wording of the G. O. is as follows :—

“That a full fee of one anna shall be charged on any fraction of a ton in consignments which do not consist of even tons”.

The following is the copy of letter received by the Port Office, Tuticorin, from the Presidency Port Officer, Madras, approving of his letter to introduce new method of assessment:—

“With reference to his letter No. 7/3297 dated 8-12-13, the Port Officer, Tuticorin, is informed that his method of assessment, i.e., *assessing each entry* in the application entered therein *as per Manifest* is correct for Landing or Shipping charges as also for pier dues—*vide* rules in G. O. No. 257 Marine dated 4th August 1913 and explanation (3) under Tuticorin G. O. No. 42 Marine dated 6th February 1913 and G. O. No. 276 Marine dated 9th October 1911 as amended by G. O. No. 847 Marine dated 8th October 1902.

2. Information should be furnished whether the old method of levying fees was adopted in respect to dutiable cargo also”.

We beg permission to offer a few remarks on the above to show that “Separate entry” and “as per Manifest” are all far-fetched words and purposely imported to lend colour to the misinterpretation of the G. O. which admits of no two meanings. We need hardly mention that Manifest is document prepared by the officers on board the steamers and entries of freight are made in it as per convenience of hatch officers, etc. For instance if a consignment of 1,000 bags is shipped to one merchant, these bags are put on board after due weightment, etc. by officers concerned who take them in by 50, 199, 250, 75, 278, 112 and 36 bags to suit their convenience and it is frivolous and illegal to urge that these should be treated as separate entries. We hand you herewith for your kind reference and return documents filed into the Port Office prior to Captain Icely's arrival and also documents now laboriously put in according to

his wrong interpretation. We have no doubt you will be able to find out which interpretation is just and legal and equitable and at the same time, come to realise what amount of unnecessary work and expense, resulting in utmost annoyance to merchants have thus been hastily precipitated without due consultation with Government and without due regard to the convenience of trade of the Mercantile Community.

The Government Orders above referred to do not throw any light except G. O. No. 847 which we have reproduced.

We therefore earnestly but respectfully beg to pray that our humble representation may be fully gone into and that the wrong interpretation put on the Government Order both by the Port Officer and the Presidency Port Officer be stigmatised as illegal and erroneous and that the refund be ordered of all money thus excess-collected.

We have, etc.,

(Sd.) S. P. A. SANKARALINGA NADAR,

( „ ) P. M. SHUNMUGA SUNDARAM,

*Joint Secretaries.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
No. 100. *Madras, 27th May 1914.*

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Port Officer, Tuticorin.

SIR,

I have the honour to send you copy of a communication received by this Chamber from the Tuticorin Merchants' Association enclosing copy of a petition submitted by that Association to the Secretary to Government, Revenue Department.

I am to request you to be so good as to let me know how the matter stands at present, and to favour me with such other information relating to the subject as will enable me to send a suitable reply to the Association.

I have, etc.,

(Sd.) M. A. KUDDUS BADSHA,

*for President.*

(Sd.) V. ARUNAGIRI NAIDU,

*Secretary.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
No. 194. *Madras, 18th July 1914.*

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to Government,  
Stonehousehill.

SIR,

I have the honour to request that the revision of the Pier and Landing and Shipping dues at Tuticorin, which I understand is at present engaging the consideration of Government, be not finally decided upon until this Chamber has had an opportunity of expressing its views on the proposals of the Presidency Port Officer, Madras. At the instance of the Tuticorin Merchants' Association, which body is affiliated to this Chamber, I requested the Port Officer, Tuticorin, in my letter dated 27th May last, to favour me with his views on certain grievances of the Tuticorin merchants in the matter of the levy of these dues. While I am not yet in receipt of a reply, I gather that on his recommendation, supported by the Presidency Port Officer, proposals have been forwarded to Government for revising the scale of dues at the Port.

2. The Indian Commercial interests at the Port are represented by the Tuticorin Merchants' Association. This Association would appear to have been not consulted in the matter of the proposed scale of dues, although it was the Association that brought to the notice of the authorities the difficulties in the levy of the existing scale of dues. As a body affiliated to this Chamber, the Association desires my Committee to approach the Government and obtain an opportunity to express its views on the proposals now under consideration. I am, therefore, to request that before final orders are passed by Government, this Chamber may be consulted, so that local opinion in regard to the present and proposed scale of dues may be duly invited and considered.

3. In this connection, I am to invite the attention of Government to the following further representations of the Indian Importers using the Tuticorin Pier :—

- (a) That the pilferage of cargo passing through the Port enclosure gates is on the increase and should be put a stop to with a strong hand ;
- (b) that the Boat Rules at the Port are not strictly enforced and should be so done in the interests of the trade of the Port ;
- (c) that the accommodation in open sheds at the pier is insufficient and should be considerably extended to meet the growing demands of the trade ; and
- (d) that in the calculation for the collection of ground rent and shed rent, recognised public holidays should be excluded.

4. I need not add that Tuticorin is the biggest of our outports and in importance is only next to Madras. The bulk of the import trade of the Port is in the hands of the Indian Commercial Community, and in the circumstances, their interests deserve the most sympathetic consideration.

I have, etc.,  
(Sd.) P. THEAGAROYA CHETTY,  
*President.*

---

PORT OFFICE, TUTICORIN,  
20th July 1914.

No. 7/1787.

From

Fred. Icely, Esq., Port Officer,  
Tuticorin.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

Sir,

With reference to your letter dated 27th May 1914, I have the honour to refer you to the Presidency

Port Officer, Madras, who may probably be in a position to give you the information you require. I personally have not received any information on the subject.

I have, etc.,  
(Sd.) FRED. ICELY,  
*Port Officer.*

No. 204-2.

MARINE DEPARTMENT.

*Dated Ootacamund, the 30th July 1914.*

From

The Hon'ble Mr. A. Butterworth, I. C. S.,  
Ag. Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
North Beach, Madras.

SIR,

I am directed to acknowledge the receipt of your letter No. 194 dated the 18th July 1914 on the subject of revision of the Pier and Landing and Shipping dues at Tuticorin and to state that the matter will receive due consideration.

I have, etc.,  
(Sd.) C. S. ANANTARAMA AIYAR,  
*for Chief Secretary.*

—:o:—

## Revision of Storm Signals.

MARINE DEPARTMENT MEMORANDUM,

*Dated the 17th March 1914.*

No. 381-1.

The accompanying copy of a Memorandum by the Director-General of Observatories in which he proposes a Revision of the Storm Signals used in the Bay of Bengal and the Arabian Sea and of the arrangements for distributing information regarding weather in the Bay by means of daily flags and telegrams, is referred to the following officers and bodies, who are requested to be so

good as to favour Government with their opinion on the signals proposed therein :—

The Presidency Port Officer,  
 The Madras Port Trust Board,  
 The Board of Revenue, Separate Revenue,  
 The Chamber of Commerce Madras,  
 The South Indian Chamber of Commerce,  
 Madras,  
 The Chamber of Commerce, Tuticorin,  
 The Chamber of Commerce, Cochin,  
 The European Chamber of Commerce,  
 Cocanada,  
 The Godaveri Chamber of Commerce, Cocanada.

2. With reference to the remark made in the last sentence of paragraph 10 of the Director-General's Memorandum it is suggested to the above officers and bodies that arrangements should, if possible, be made to test the relative value of the day signals. It would be useful also if evidence could be obtained as to the efficiency of the distances between the lights suggested in paragraph 18 of the Memorandum.

(By order)

(Sd.) C. S. ANANTARAMA AIYAR,  
*Under Secretary.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
 No. 94. *Madras, 19th May 1914.*

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
 President,  
 The Southern India Chamber of Commerce,  
 Madras.

To

The Under Secretary to Government,  
 Marine Department,  
 Fort St. George.

SIR,

With reference to your Memorandum No. 381-1 dated 17th March 1914, regarding the Revision of Storm

Signals, I have the honour to state that the proposal of the Director-General of Observatories meets with the approval of this Chamber. My Committee has no suggestion to offer on the subject.

I have, etc.,

(Sd.) M. A. KUDDUS BADSHA,  
for *President*.

(Sd.) M. A. SUBHAN,  
*Secretary*.

—: o :—

## Railway Concessions to Merchants.

DESI BEOPAR MANDAL,  
(INDIAN CHAMBER OF COMMERCE)  
*Lahore, 25th March 1914.*

No. 1599-1914.

To

The Southern India Chamber of Commerce,  
Madras.

DEAR SIRs,

I am directed to send herewith a copy of letter received from the Imperial Publishing Company at Lahore on the subject of some special concession in Railway fare to be granted to the authorized representatives of all respectable firms by the Railway Authorities over all lines in India, for an expression of opinion by your Chamber on the subject and a cordial support if advisable to the same.

Yours faithfully,  
(Sd.) G. D. AILAWADI,  
*Secretary*.



## [ENCLOSURE.]

Copy of letter dated 2nd September 1913, from the Manager, The Imperial Publishing Company, Lahore, to the Secretary, Desi Beopar Mandal.

All the Manufacturers, Import and Export merchants and other leading business men throughout India will be much obliged, if you move the Railway Authorities to grant some special concessions to the authorized representatives of all respectable firms. At present a nominal concession is allowed in the carriage of luggage and samples but there is no concession whatsoever in the Railway Fare.

If figures be examined it will be noticed that it is the manufacturers and merchants that are responsible for about 70% of the income of all the Railways and as such they do deserve some advantage for their representatives. The Circus, Theatrical Companies who do not give sufficient income to the Railways are allowed a very liberal concession and their advance agent and the troupe itself can travel in the next higher class for which the fare is paid or on some Railways on payment of half 1st and 2nd class fares.

We hope you as representative of Commerce and Industry of your Province will give a helping hand to the manufacturers, merchants and other business firms.

(Sd.) K. R. KHOSLA,

*Manager.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE.

*Madras, 27th May 1914.*

No. 102.

The Secretary,

Indian Chamber of Commerce,

Lahore.

DEAR SIR,

With reference to your letter No. 1599 dated 25th March, I am directed to inform you that the subject of the proposed special concession in Railway fares to representatives of leading firms has been carefully considered by my Committee who have resolved to give their general support to the same. However, my Committee would be glad to be informed of the detailed proposals which you might make to the Railway authorities in the matter before they can also put forward similar proposals.

Yours faithfully,

(Sd.) V. ARUNAGIRI NAIDU,

*Secretary.*

## Advisory Boards and Income-Tax.

MADRAS COLLECTOR'S OFFICE,

*Dated 24th April 1914.*

Reference No. 33 B. & G. of 1914.

From

D. W. G. Cowie, Esq., I.C.S., Collector of Madras.

To

The Honorary Secretary,

The Southern India Chamber of Commerce.

SIR,

The desirability of establishing advisory boards composed of non-official gentlemen to be nominated by the Heads of Districts to assist officials in the work of assessment under the Income-tax Act was discussed in the Imperial Legislative Council on January 1914. It is published in extenso on pages 105-112 of the *Fort Saint George Gazette*, dated 3rd February 1914. I have the honour to request that you will be so good as to favour me with the views of the Chamber of Commerce on the subject.

I have, etc.,

(Sd.) V. M. OOSMAN,

for *Collector*.

---

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 30th June 1914.*

No. 178.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

Madras.

To

The Collector of Madras,

Madras.

SIR,

I have the honour to reply to your letter of the 24th April 1914, No. 33 B. & G. inviting the views of this

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 30th June 1914.*

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## Advisory Boards and Income-Tax.

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The Southern India Chamber of Commerce.

SIR,

The desirability of establishing advisory boards composed of non-official gentlemen to be nominated by the Heads of Districts to assist officials in the work of assessment under the Income-tax Act was discussed in the Imperial Legislative Council on January 1914. It is published in extenso on pages 105-112 of the *Fort Saint George Gazette*, dated 3rd February 1914. I have the honour to request that you will be so good as to favour me with the views of the Chamber of Commerce on the subject.

I have, etc.,

(Sd.) V. M. OOSMAN,  
for *Collector*.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 30th June 1914.*

No. 178.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

Madras.

To

The Collector of Madras,

Madras.

SIR,

I have the honour to reply to your letter of the 24th April 1914, No. 33 B. & G. inviting the views of this

## [ENCLOSURE.]

Copy of letter dated 2nd September 1913, from the Manager, The Imperial Publishing Company, Lahore, to the Secretary, Desi Beopar Mandal.

All the Manufacturers, Import and Export merchants and other leading business men throughout India will be much obliged, if you move the Railway Authorities to grant some special concessions to the authorized representatives of all respectable firms. At present a nominal concession is allowed in the carriage of luggage and samples but there is no concession whatsoever in the Railway Fare.

If figures be examined it will be noticed that it is the manufacturers and merchants that are responsible for about 70% of the income of all the Railways and as such they do deserve some advantage for their representatives. The Circus, Theatrical Companies who do not give sufficient income to the Railways are allowed a very liberal concession and their advance agent and the troupe itself can travel in the next higher class for which the fare is paid or on some Railways on payment of half 1st and 2nd class fares.

We hope you as representative of Commerce and Industry of your Province will give a helping hand to the manufacturers, merchants and other business firms.

(Sd.) K. R. KHOSLA,

*Manager.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE.

*Madras, 27th May 1914.*

No. 102.

The Secretary,

Indian Chamber of Commerce,

Lahore.

DEAR SIR,

With reference to your letter No. 1599 dated 25th March, I am directed to inform you that the subject of the proposed special concession in Railway fares to representatives of leading firms has been carefully considered by my Committee who have resolved to give their general support to the same. However, my Committee would be glad to be informed of the detailed proposals which you might make to the Railway authorities in the matter before they can also put forward similar proposals.

Yours faithfully,

(Sd.) V. ARUNAGIRI NAIDU,

*Secretary.*

## Advisory Boards and Income-Tax.

MADRAS COLLECTOR'S OFFICE,

*Dated 24th April 1914.*

Reference No. 33 B. & G. of 1914.

From

D. W. G. Cowie, Esq., I.C.S., Collector of Madras.

To

The Honorary Secretary,

The Southern India Chamber of Commerce.

SIR,

The desirability of establishing advisory boards composed of non-official gentlemen to be nominated by the Heads of Districts to assist officials in the work of assessment under the Income-tax Act was discussed in the Imperial Legislative Council on January 1914. It is published in extenso on pages 105-112 of the *Fort Saint George Gazette*, dated 3rd February 1914. I have the honour to request that you will be so good as to favour me with the views of the Chamber of Commerce on the subject.

I have, etc.,

(Sd.) V. M. OOSMAN,  
for Collector.

---

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 30th June 1914.*

No. 178.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Collector of Madras,  
Madras.

SIR,

I have the honour to reply to your letter of the 24th April 1914, No. 33 B. & G. inviting the views of this



Chamber on the proposal to establish advisory boards to assist income-tax officers.

The subject was considered at more than one meeting of the Committee. There is no unanimity of opinion as regards the usefulness of the proposed Advisory Board. While a majority are not generally in favour of the proposal, I may perhaps add that a few members entertain a very strong apprehension that the introduction of such a Board will go to aggravate the existing evil and make matters worse for the Income-tax assesses. Under the circumstances, I am to say that this Chamber is opposed to the proposal.

I regret the delay in replying to the reference which was unavoidable.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

—: o:—

## The Indian Companies Act.

TRIPLICANE,

*Madras, 7th May 1914.*

GENTLEMEN,

The Indian Companies Act (VII of 1913) which came into force on the 1st ultimo, requires (*vide* Table B) payment of a fee of Rs. 5 for filing any document or recording any fact. The number of such documents, and facts are many. A Company with a capital of Rs. 10,000 has to pay the same fees as a Company with a capital of a crore of rupees. Under Sec. 249 of the Act, the Governor-General in Council may direct the levy of smaller fees. In the interest of Indian Companies, it is necessary that the Government should reduce the rate of fees payable on the filing of documents or the recording of facts. I would suggest that the Government of India be requested to reduce such fees at least by 50 per cent. in the case of Companies whose nominal capital does not exceed 5 lakhs of rupees.

I request you to place this matter before the Chamber for their favourable consideration and necessary action.

Yours sincerely,  
(Sd.) K. KRISHNASWAMI RAO.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 25th May 1914.*

No. 99

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to the Government of Madras,  
Ootacamund.

SIR,

I am desired by my Committee to invite your attention to a feature in the working of the Indian Companies Act of 1913, and to request that the Government of Madras will be good enough to move the Government of India to take suitable action in the matter.

2. Table B. of the First Schedule of the Act, prescribes a fee of Rs. 5 for filing any document required or authorised to be filed under the Act; and another fee of Rs. 5 for making a record of any fact required or authorised to be recorded. These fees are prescribed, irrespective of the fact that the Company has a share capital or not. What is even more noteworthy, these fees are levied irrespective of the fact that the Capital of the Company is only Rs. 10,000 in one case or exceeds a crore of rupees in another.

3. Besides the registration of the Memorandum and Articles of Association, the recording of special resolution increasing or decreasing Capital, or amending Articles of Association, for which a special fee is prescribed, the following is a cursory list of documents and

papers required to be filed under the new Act, including cases in which a record is required to be made :—

- (a) The Annual List of Members and summary under Sec. 32.
- (b) Notice to Registrar of rectification of register under Sec. 39.
- (c) Notice of the situation of office where a branch register is kept in the United Kingdom under Sec. 41.
- (d) Notice to Registrar of consolidation of share capital, conversion of shares into stock, etc., under Sec. 51.
- (e) Notice of the situation of the office under Sec. 72.
- (f) Statutory Report of a Company under Sec. 77.
- (g) List of persons who have consented to be Directors of a Company under Sec. 84.
- (h) List of Directors and notice of any change among Directors or Managers under Sec. 87.
- (i) Prospectus issued by a Company under Sec. 92.
- (j) Declaration before commencement of business under Sec. 103.
- (k) Return of the allotment of Shares under Sec. 104.
- (l) List of mortgages under Sec. 109.
- (m) Particulars in case of a series of debentures entitling holders *pari passu* under Sec. 110.
- (n) Appointment of a Receiver under Sec. 118.
- (o) Accounts of Receivers under Sec. 119.
- (p) Copy of Balance-Sheet and Auditor's Report under Sec. 134.
- (q) Statement of refusal to adopt Balance-Sheet under Sec. 134.
- (r) Copy of winding-up order under Sec. 172.
- (s) Notice by Liquidator of his appointment under Sec. 208.
- (t) Notice of dissolution by the Liquidator under Sec. 217.

4. It will be observed that no fee was prescribed in any of the abovementioned cases under the Indian Companies Act of 1882. Consequently the hardship of having to pay these fees, in addition to the legal obligation under stringent penalties of having to file the documents or record statements, within the time limit prescribed, has been the subject of representation to the Chamber. The Committee have given the matter their careful consideration. Under Sec. 249 of the Act, the Governor-General in Council may direct the levy of smaller fees than those prescribed, and it is, therefore, the Chamber's earnest request that in view of the real hardship complained of, the fee of Rs 5 prescribed for filing documents and recording statements may be reduced by not less than 50 per cent. at all events in the case of Companies whose nominal capital does not exceed Rs. 5 lakhs. As the matter is one that rests ultimately with the Government of India, I have the honour to request the Government of Madras to move the Government, with such support as they themselves may be pleased to give in the matter.

I have, etc.,

(Sd.) M. A. KUDDUS BADSHA,  
*for President.*

(Sd.) M. A. SUBHAN,  
*Secretary.*

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JUDICIAL DEPARTMENT,  
*Dated Ootacamund the 6th June 1914.*

No. 1702-C-1.

From

The Hon'ble Mr. A. Butterworth, I. C. S.,  
Ag. Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

I am directed to acknowledge receipt of your letter No. 99, dated the 25th May 1914, relating to the Indian

Companies Act, 1913, and to state that the matter will receive the attention of Government.

I have, etc.,  
(Sd.) T. J. TASKER,  
for *Chief Secretary*.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 9th July 1914.*

No. 189.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to Government,  
Stonehousehill.

SIR,

In continuation of my letter No. 99 dated 25th May 1914, inviting the attention of the Government of India through the Government of Madras to a feature in the working of the Indian Companies Act of 1913, I have the honor further to invite attention to the table of fees (Table "B" of the First Schedule) of the Indian Act as compared with the corresponding table of the Companies (Consolidation) Act 1908—(8 Edw. VII. Ch. 69).

2. It will be observed that in determining the amount of fees, the £ has been taken at Rs. 20, while in graduating the fees to the amount of share capital, the latter has been calculated at Rs. 10 a £. Thus the fee under the Indian Act are exactly double what they are under the English Act.

3. Considering the resources of English Companies and the conditions of Joint Stock enterprise in England, if a fee of £2 or Rs. 30 is all that is levied for the registration of a Company whose nominal share capital does not exceed £2,000 or Rs. 30,000, it is indeed anomalous that an Indian Company with a share capital of Rs. 20,000 should be called upon to pay a fee of Rs. 40. The fee under the English Act is exactly half of what it is under the Indian Act, and it is for His Excellency the Governor-General in Council to consider why the Indian Companies should labour under this extraordinary disadvantage and be subject to this invidious distinction.

4. It will be observed that no fee is levied under the English Act for filing any document required to be filed, while under the Indian Act a fee of Rs. 5 is levied for the same. The reason for this departure from the English Statute is not clear. Most of the documents required to be filed are annual, while some, such as filing the return of allotment of shares, and the changes in the Directorate may be of more frequent occurrence. The high fee of Rs. 5 in the Indian Act, as compared with the 5 shillings in the English Statute operates as a serious hardship.

5. I am to request that these aspects of the question may also receive the sympathetic support of His Excellency the Governor in Council and that the Government of Madras may be pleased to address the Government of India in the matter.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

(Sd.) M. A. SUBHAN,

*Secretary.*

## JUDICIAL DEPARTMENT,

*Dated Ootacamund the 14th July 1914.*

No. 2016-C-2.

From

The Hon'ble Mr. A. Butterworth, I. C. S.,  
Ag. Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

I am directed to acknowledge receipt of your letter No. 189, dated the 9th July 1914, relating to the Indian Companies Act, 1913.

I have, etc.,  
(Sd.) T. J. TASKER,  
for Chief Secretary.

—: o :—

**Coal Wagons on the S. I. Ry.**

It appears to me that this is just such a case as might usefully be taken up by the Chamber of Commerce. The case is this :—The Madras Port Trust has made it possible for practically all coal that arrives at the Port to be loaded by ships' derricks direct into Railway wagons.

2. The Madras and Southern Mahratta Railway Company play up very well to our lead and carry off the wagons direct to destination, supplying others so quickly that vessels can discharge 1,200 to 1,400 tons per day.

3. The result to coal so handled is not only that it preserves its calorific value very much better than it would if it underwent two extra handlings, but also that there is a very considerable saving—fully a rupee per ton I suppose—in the cost of coal delivered, not to mention the 2½ to 5% that used to fall over side in the old days.

4. But though the Madras and Southern Mahratta Railway plays up so well, the South Indian Railway fails to do so, and thereby compels some 80 or 90 per cent. of the coal intended for despatch over that line to be dumped intermediately in the Port Trust Premises.

5. As I am leaving for home in a few days and have not time to thresh the matter out I put up a memorandum by the Traffic Manager for the perusal of the Chamber. It suggests itself that Mr. W. W. Robinson, our Traffic Manager, might be invited to explain things personally to the Chamber at the meeting in which the matter is dealt with.

6. Then what I would suggest, if the Chamber decides to move in the matter, is that they should address the South Indian Railway Company's Agent and the Railway Board, protesting strongly against the lead given by the Port Trust not being followed by this particular railway. Practically they are nullifying our efforts for the benefit of the coal import trade, so far as their share of it is concerned.

(Sd.) F. J. E. SPRING,

13/5.

11-5-14.

*Chairman, Madras Port Trust.*

To

The President,  
Southern India Chamber of Commerce.

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[ENCLOSURE]

Despatch of coal in wagons from the Madras Harbour between  
1st April 1913 and 31st March 1914.

*Note by the Traffic Manager, Madras Port Trust.*

The quantity of coal despatched by rail direct from steamers in 1913-14 and the quantity intended for direct despatch by rail but put into stack in the Madras Harbour because of the inability of the S. I. Ry. to take it away are shown in the tabular form attached.

2. The percentage of coal despatched direct from steamers by M & S. M. Ry. wagons is in marked contrast to the percentage for the S. I. Ry. broad and metre gauge. In the case of S. I. R. metre gauge the low percentage is entirely due to a shortage of wagons but in the case of S. I. R. broad gauge the small despatches of coal direct from



steamers were caused by restrictions on the number of wagons which the importers were permitted by the Railway to despatch daily. The maximum number of wagons for the S. I. R. broad gauge stations was as follows :—

Jolarpet	...	...	8	wagons per day.
Morappur	...	...	2	" "
Salem	...	...	8	" "
Royapuram	...	...	2	" "
Tiruppur	...	...	8	" "
<hr/> Total 28				" "

But very often importers were not allowed to send more than 16 wagons a day and the average despatches they were permitted to make daily worked out to about 18 wagons. Allowing then for a load of 20 tons per wagon, which is a very high average—it is clear that a steamer with 5,000 tons could not discharge more than a total of 1,800 tons direct into wagons for S. I. R. broad gauge stations during her average stay of five days at Madras and the balance would necessarily have to go into stack.

3. Turning now to the coal despatched by S. I. R. metre gauge wagons we find an even more regrettable state of affairs. Out of 8,000 tons of coal intended for despatch by metre gauge wagons for the S. I. Ry.'s own consumption, only 1,475 tons, or 18·43% were despatched direct from the steamers, no less than 6,525 tons having to be handled twice at an extra cost to the railway itself of Re. 1 per ton for the coal so handled—not to mention the lessened firing value of the ill-treated coal. Although the "Trabboch" arrived on 5-1-14 before the period mentioned in the attached statement I think that her work should be quoted as an illustration of how the S. I. Ry. treat their own coal. This vessel brought 4,000 tons for despatch to Egmore but no S. I. R. metre gauge wagons were supplied while she was discharging and the whole of her cargo had to go into stack in our yard. The final supply of her coal was not completed till 6-3-14 making an average daily despatch of 64 tons to Egmore over a distance of three miles.

4. The percentage of coal despatched direct from steamers for private consumption by S. I. R. metre gauge wagons which works out to 11·33, is even worse than that of the coal for the railway's own consumption mentioned in para 3 above. Attention is drawn to the case of the "Heathdene" which arrived in January 1914 with 5,000 tons of coal for the mills at Pondicherry. This vessel, having to go on a groundnut charter after the discharge of her coal was intentionally detained in port for 17 days, during the whole of which period she discharged coal into wagons at one quay or another. Had she only received an average daily supply of 43 S. I. R. metre gauge wagons she could have discharged the whole of her manifested quantity into wagons for direct despatch. But as a matter of fact she was not able to get a sufficient number of metre gauge wagons to carry away more than a total of 210 tons during her stay in port and consequently 4,790 tons out of her cargo of 5,000 tons had to be dumped in our premises. But this is not the end of the metre gauge wagon trouble as, even after a cargo of coal has been stacked here it takes months to get rid of it and although the "Heathdene" arrived on 2-1-14, only 2,795 tons out of the above 4,790 tons have gone forward to Pondicherry up to date, the average daily despatches being 24 tons.

5. The following is a summary of the coal received in 1913-14:—

	Tons.
(a) Despatched direct from steamers...	86,192
(b) Put into stack at Madras owing to the inability of the S. I. Ry. to take direct from the steamers ... ..	30,818
(c) Intended for local delivery at Madras ...	53,455
Total ...	<u>1,70,465</u>

Therefore if the wagon supply had been sufficient or if there had been no restrictions on daily despatches it would not have been necessary to stack more than 53,455 tons of coal in the Madras Harbour instead of our having to find room for 53,455 *plus* 30,818 = 84,273 tons as actually happened.

6. I take this opportunity of drawing the Chairman's attention to the fact that the metre gauge wagon question is so acute that the Superintendent of Stores, S. I. Ry., finds it cheaper to cart his own materials to Egmore than to incur Port Trust storage charges while waiting for wagons to be supplied to him.

(Sd.) W. W. ROBINSON,  
*Traffic Manager,*  
7-5-14.

(True copy)

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 8th August 1914.*

No. 237.

DEAR SIR,

In May last, the Chairman of the Madras Port Trust drew the attention of this Chamber to the inconvenience caused to the Port by the action of the South Indian Railway in allowing 80 or 90 per cent. of the coal intended for despatch over the line to be dumped in the Trust premises. The Chamber was requested to move the Agent and the Railway Board in view to see that the efforts made by the Port authorities for the benefit of the coal importers were not nullified by the Railway administration. I then represented the matter to the Agent, and he has since intimated to me that you will be good enough to attend an early meeting of the Committee and explain matters personally.

May I, therefore, request you to be so good as to be present on Wednesday, the 12th instant, at 5-30 p. m. at the premises of the Chamber when I am arranging for a meeting of the Members of the Executive Committee.

Yours faithfully,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

C. S. ROWBOTHAM, ESQ.,

District Traffic Supdt.,

South Indian Railway,

Egmore.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 18th August 1914.*

No. 257.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

Madras, E.

To

The Chairman,

Madras Port Trust,

Madras.

SIR,

Adverting to your letter No. G. 315 dated 13th May 1914, regarding the supply of coal wagons by the South Indian Railway at the Madras Port Trust, the Chamber has had recently the opportunity of hearing the explanation of the District Traffic Superintendent at Egmore, and we gather that the congestion complained of in your letter was due to exceptional circumstances at the time over which the Company had no control and that suitable arrangements have been made to avoid a similar trouble in future.

May I know whether matters have really improved since and that the Trust has no present inconvenience of the nature indicated in your letter of May last.

I have, etc.,  
(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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OFFICE OF THE CHAIRMAN,  
MADRAS PORT TRUST,  
*Dated Madras, 20th August 1914.*

No. G. 960.

From

The Ag. Chairman,  
Madras Port Trust.

To

The President,  
The Southern India Chamber of Commerce.

SIR,

I have the honour to acknowledge receipt of your letter No. 257 of 18th August and to inform you that there has been a very great improvement in the rapidity of the despatch of coal in metre gauge wagons direct from ship's side.

In the case of the "Trabboch" which arrived at Madras on the evening of 10-7-14 the District Traffic Superintendent, Egmore, maintained a good supply of empty wagons with the result that the vessel left on the afternoon of 18-7-14 after discharging a full cargo of 6,100 tons of coal, 4,000 tons being for S. I. Ry. metre gauge, of which 3,770 tons were despatched direct by wagons to Egmore.

I have, etc.,  
(Sd.) H. H. G. MITCHELL,  
*Ag. Chairman.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 21st August 1914.*

No. 230.

C. S. Rowbotham, Esq.,  
District Traffic Superintendent,  
S. I. Ry., Egmore.

DEAR SIR,

You will, doubtless, be glad to have the enclosed testimonial of the Chairman, Madras Port Trust, to the improvement in the despatch of coal in the metre gauge wagons from the Trust's coal yard.

Yours faithfully,  
(Sd.) C. DURAISWAMI AIYANGAR,  
*for Secretary.*

—:o:—

## Wholesale Cash Prices.

CUSTOM HOUSE,  
*Madras, 2nd June 1914.*

No. R. B. G. 246/14.

From

H. H. Hood, Esq.,  
Offg. Collector of Customs,  
Madras.

To

The Secretary,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

I have the honour to forward herewith copy of a letter from the Government of India, Department of Commerce and Industry No. 3565-3568-131, dated 11th May 1914, regarding the interpretation of the term "wholesale cash price" for the purposes of import duty, and also with reference to the annual consultation

between the Director-General of Commercial Intelligence and the several Chambers of Commerce in connection with the revision of tariff valuations. Under instructions from the Board of Revenue I request that you will be good enough to favour me with the views of your Chamber on the points raised by the Government of India.

2. It is the practice in this Custom House for Appraisers to obtain from the market correct information of the current values of goods in "wholesale lots" as defined by the Government of India, and assessments are made on the basis of such values subject to the deductions mentioned in Section 30 (a) of the Sea Customs Act.

I have, etc.,

(Sd.) H. H. HOOD,

*Offg. Collector of Customs.*

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[ENCLOSURE.]

Copy of a letter from the Government of India, Department of Commerce and Industry No. 3565-3568-131, dated 11th May 1914.

I am directed to forward a copy of the letters from the Bombay,

From the Bombay Chamber of Commerce, No. 193, dated the 27th January 1914.

From the Karachi Chamber of Commerce, No. 101 dated the 14th February 1914.

From the Bengal Chamber of Commerce No. 791 dated the 28th April 1914.

of Commerce cited in the margin, regarding the interpretation of the term "local wholesale cash market value" for the purposes of Import duty. The Bombay Chamber of Commerce suggest that the true and correct meaning of market value, so far as the importer is concerned, should be clearly and definitely stated by Government for the guidance of the Customs authorities. They submit that, if import duty is to be levied on market value, that value must be "the highest price at which a first seller immediately after importation is disposing of his goods wholesale" and that "when the term wholesale is used it is meant in its broadest sense of quantity". The Karachi and Bengal Chambers of Commerce support the representation of the Bombay Chamber.

2. In this connection I am to refer to the correspondence ending with the letter from this Department No. 1019-45, dated the 14th February 1911. It will be seen therefrom that, in July 1908, the Government of India ruled the term "wholesale cash price" should be defined as the "local wholesale market value" irrespective of the price at which transactions are conducted between importers and dealers; and that subsequently, in February 1911, they held that the word "wholesale" bears the same meaning in Section 30 (a) of the Sea Customs Act, 1878, as it

does in the expression "wholesale lots" in clause 3 of Section 32 of the Act, namely, "such lots as wholesale dealers would be willing, in the ordinary course of business, to sell at wholesale rates". In view of these rulings, which were given after most careful consideration, the Government of India are not disposed to re-open the question of the definition of the term "wholesale cash prices". There appears, however, to be some doubt whether the interpretation is correctly applied at all Custom Houses; and for this reason they desire, if His Excellency the Governor in Council has no objection, to receive full information as to the methods adopted in the Madras Port in carrying out the existing orders on the subject, together with any suggestions for their improvement which the commercial community and the local customs authorities may have to make.

3. I am also to forward a copy of the letter which the Bombay Chamber of Commerce addressed to the Collector of Customs, Bombay, in December last, regarding the annual consultation between the Chamber of Commerce, the Director-General of Commercial Intelligence and the Customs authorities in connection with the revision of tariff valuations. In this letter the Bombay Chamber of Commerce represent that the procedure at present followed in the fixation of values of articles in Schedule IV, of the Import Tariff is defective and should be revised. They suggest that in future the rates proposed by Government should be communicated to the Chambers of Commerce a month before the annual conference, and "that the views of importing merchants at the different ports should be collected and circulated with full information by the Customs on their proposed rates in cases where there is divergence of opinion so that fair valuations may eventually be fixed."

4. Under the existing system the work of the annual revision of tariff valuations begins by the third week of October and ends by the third week of December every year; and I am to explain briefly the steps which are taken in the matter. By the third week of October the Collectors of Customs are asked to send in their proposals for revised valuations of tariff-rated articles, and the Customs authorities at Bombay and Madras are requested to arrange for the deputation of an officer belonging to the Appraising Department to attend a departmental Conference at Calcutta. On receipt of proposals from the Collector of Customs by the end of first week of November, they are scrutinised by the Director-General of Commercial Intelligence in the light of the year's retrospect of prices and of other data available in his office. A discussion on the suggestions of the several Custom Houses then takes place at the Conference of Appraisers referred to above, which is held about the middle of November at the Calcutta Custom House and at which the Collector of Customs, Calcutta, is generally present. The views of the port which does the largest trade in an individual article naturally carry—so long as they are not in conflict with other trustworthy data—most weight in the fixation of the valuation for that article. The valuations accepted at the Conference are embodied in a proof tariff schedule and a copy of it is posted confidentially, in advance of the departure of the Director-General of Commercial Intelligence, to the Collector of Customs, Bombay, who is asked to arrange for a conference with the representatives of the Bombay Chamber of Commerce. On arrival at Bombay, the Director-General of Commercial Intelligence discusses with the Collector of Customs the valuations recommended at the Calcutta Conference; and copies of the proof schedule as

further revised at the discussion with the Collector, are sent to the Bombay Chamber of Commerce four or five days in advance of the proposed conference with them, which is held during the fourth week of November. The values approved at the meeting with the Bombay Chamber are entered in a copy of the proof schedule, which is despatched to the office of the Director-General of Commercial Intelligence at Calcutta in advance of his return. Copies of the proof schedule as revised at the discussion with the Bombay Chamber are in due course sent to the Bengal Chamber of Commerce five or six days in advance of the meeting with their representatives which takes place about the end of the first week of December and which is attended by the Collector of Customs, Calcutta, in company with the Head Appraiser or the Assistant Collector in charge of the Appraising Department. The valuations thus arrived at are submitted to the Government of India by the middle of December and the revised schedule is published by the third week of December.

5. In theory the valuations are based upon the following data :—

- (i) The 12 months' average of the market prices reported monthly by the Collectors of Customs, weight being given to the quotations from the several ports in proportion to the extent of each port trade in the particular article.
- (ii) Recommendations of the several Collectors of Customs.
- (iii) Suggestions of the Chambers of Commerce.

In practice, however, only nine months' prices are available at the time when the revision is taken up. In discussion with the Collectors of Customs and with Chambers of Commerce reference is made to any authoritative document that may aid in an estimate of what is likely to be the level of prices, and to any definite and unquestionable pronouncement of experts on the subject. In dealing with articles in respect of which there are no recognised or adequate documentary data, such as records of large forward business actually done, the valuations are based more exclusively on the retrospective nine months' prices available, taking into consideration any unmistakable forward tendency upwards and downwards.

6. It will be seen that every effort is made at present by Government to arrive, as nearly as possible, at the values that will rule in the succeeding year, and that the annual conferences with the representatives of the Bombay and Calcutta Chambers of Commerce are held with a view to attain that object. The values fixed must be conjectural; and as in each of the last five years no demands for revision have been during the course of the year, the Government of India consider that the present system has enabled them to attain the closest approximation to the actual average prices that can be expected in a conjectural estimate. They are, however, prepared to consider any suggestions for the improvement of the existing system; and I am to request that, with the permission of His Excellency the Governor in Council, they may be favoured with the views of the Government of Madras on the subject, with special reference to the proposal to allow the Chambers of Commerce more time for mutual consultation before they meet the Director-General of Commercial Intelligence.

(True Copy)

(Sd.) G. DAIVASIKHAMANI,\*

Head Clerk,

Office of the Collector of Customs, Madras.



THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 15th July 1914.*

No. 191.

From

Rao Bahadur P. Theagaroya Chetty, B. A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Collector of Customs,  
Madras.

SIR,

I have the honour to reply to your reference No. R. B. G. 246, dated 2nd June 1914, inviting an expression of the views of this Chamber on the points raised by the Government of India in their letter No. 3565-3568-131, dated 11th May 1914, regarding the interpretation of the term "wholesale cash price" and in connection with the revision of tariff valuations every year.

2. The views of this Chamber are contained in the enclosed memoranda.

I have, etc.,

(Sd.) M. A. SUBHAN, (Sd.) P. THEAGAROYA CHETTY,  
*Secretary.* *President.*

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[ENCLOSURE.]

#### WHOLESALE CASH PRICE.

The following are the views of this Chamber on the several points raised by the Government of India in their letter No. 3565-3568-131, dated 11th May 1914, regarding the interpretation of the term "wholesale cash price" for the purpose of import duty.

2. It is to be observed that the Government of India have issued the following rulings in explanation of

the expression "wholesale cash price" in Section 30 of the Sea Customs Act VIII of 1878:—

- (a) Contract or sale-note cannot be accepted as proof of real value of goods for assessment of duty (1896).
- (b) Trade discount relates to the discount granted by the wholesale vendor in India to local purchasers (1905).
- (c) Invoice prices, contract notes or sale notes cannot be accepted as proof of real value. Duty should not, therefore, be levied on the invoice cost of goods (1908).
- (d) "Wholesale cash price" should be defined as the "local wholesale market value", irrespective of the price at which transactions are conducted between importers and dealers (July 1908).
- (e) The word "wholesale" bears the same meaning in Sec. 30 (a) of the Sea Customs Act, 1878, as it does in the expression "wholesale lots" in clause 3 of section 32 of the Act, namely "such lots as wholesale dealers would be willing in the ordinary course of business, to sell at wholesale rates" (1911).

3. The Government of India now observe that these rulings were given after most careful consideration and that they are not prepared to re-open the question of the definition of the term "wholesale cash price". This Chamber considers that the expression has been defined clearly enough and does not therefore ask for any further definition now.

4. In the opinion of this Chamber, the real difficulty, so far as this Presidency is concerned, seems to be not in the interpretation of the expression but in the practical carrying out of the orders of the Government of India. For a description of the methods adopted by the Customs authorities in carrying out those orders, the Government should only look to the Customs authorities themselves. In fact, it is not known to the trade how the local wholesale market value is ascertained by them. We are afraid there is no attempt on their part at any systematic enquiry. We should suggest that an officer not below the grade of an Appraiser should systematically go into the market and make regular enquiries of the current wholesale prices of articles. We understand this used to be done until some years ago. It is our belief that in numerous cases the Customs authorities have not correctly ascertained the market values, and that consequently there have been more cases than the actual

circumstances would have justified. We would urge the Government to call for full particulars of the number and nature of the case, detected and ultimately convicted or excused, say, during the past three years. We are confident that an examination of these cases will disclose the fact that the market values are not correctly ascertained by the Customs authorities in the first place; that the imposition of the penalties in cases where the offence has been more or less the same has been on no intelligent principle; and finally that there is a clear need for working the provisions of the law and the orders of Government in a spirit of greater sympathy and conciliation, with the importers. It is only such an examination that can be expected to afford full information of the methods adopted by the Madras Customs, which information the Government of India desire to have in para 2 of their letter.

5. We have not been furnished with copies of the letters addressed by the Bombay, Bengal and Karachi Chambers of Commerce, referred to in Para (1) of the letter of the Government of India. But we are, however, able to say that we do not agree with the definition of "local wholesale cash market value" suggested by the Bombay Chamber of Commerce, *viz.*, "the highest price at which a first seller immediately after importation is disposing of his goods wholesale". It is obvious that this could not always be the market price, as the first seller generally sells to his own constituents and the value paid, in most cases, can be only a contract value and often less than the value that could be obtained in the open markets.

6. As regards articles which have not a definite or ascertainable market value, perhaps it would be convenient if the Government should issue a rule that all goods that are usually sold in less than a whole package at a time should be assessed under Section 30 (b). In most cases, in this Presidency, importations are made by small dealers who deal in various articles and it is not unlikely that those various articles are packed in one case and have a higher value paid. In such cases, the

invoice value can be accepted with advantage to Government. The preparation of a schedule of wholesale quantities in such cases may involve considerable difficulty and not work well in practice.

7. Perhaps, it would also be well that Customs authorities are instructed to be more sparing in the application of penalty of confiscation under Section 167 (37) (c), and that notwithstanding the question of legality or otherwise, the infliction of double penalty of confiscation and fine and the indiscriminate application of Section 32 and Section 167, at different stages of proceedings in regard to the same case, is expressly discouraged, as this has been a source of harassment to importers.

#### REVISION OF TARIFF VALUATIONS.

The following are the views of this Chamber on the several points raised by the Government of India in their letter No. 3565-3568-131, Department of Commerce and Industry, dated 11th May 1914, regarding the annual consultation between the Director-General of Commercial Intelligence and the several Chambers of Commerce in connection with the revision of Tariff valuations :—

2. So far as this Presidency is concerned, we are not aware, in the first place, that the Customs authorities are systematically ascertaining the prices of articles liable to duty at Tariff valuations at the important stations of the Presidency. It is not the practice, so far as we know, in this Customs House, to invite the suggestions of the Chambers of Commerce. The proposed changes in the tariff are not communicated in advance, and local commercial opinion is not represented at the annual Conference. We understand that an Appraiser is deputed to attend the Conference on behalf of this Presidency and the data on which he makes his suggestions are not open to any one outside the department. We would suggest that a small Conference of leading merchants interested in the principle articles, in which a large trade is carried on in this Presidency should be held sufficiently early, at which the rates proposed by the Customs authorities

should be discussed and revised in the light of commercial opinion. The Customs rates may also be circulated to the Chambers of Commerce, and their representatives invited to attend the Conference. In the absence of such a discussion, there is no object gained in continuing the present practice of deputing an Appraiser yearly to say what he chose. The proposal of the Bombay Chamber of Commerce fully commends itself to us.

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CUSTOM HOUSE,  
*Madras, 21st July 1914.*

No. R. B. G. 246/14.

From

H. H. Hood, Esq.,  
Offg. Collector of Customs,  
Madras.

To

The Secretary,  
The Southern India Chamber of Commerce.

SIR,

I have the honour to invite a reference to paragraph 7 of the letter from your Chamber No. 191, dated the 15th instant, in which it is stated that "it would also be well that Customs Authorities are instructed to be more sparing in the application of penalty of confiscation under Section 167 (37) (e)—(there is no sub-clause (e) to this section of the Act presumably (e) is meant)—and that notwithstanding the question of legality or otherwise, the infliction of double penalty of confiscation and fine and the indiscriminate application of Section 32 and Section 167, at different stages of proceedings in regard to the same case, is expressly discouraged, as this has been a source of harassment to importers."

2. These statements, I think, undoubtedly imply that such cases have been somewhat frequent. I should be obliged, therefore, if you would be good enough to substantiate the implication made in your Chamber's

letter by furnishing me with concrete instances of cases during the past year (1) in which the penalty of confiscation of goods under Section 167 (37) (c) has been imposed; (2) where the double penalty of confiscation and fine has been imposed and (3) where Sections 32 and 167 of the Act have been indiscriminately applied at different stages of proceedings in the same case. The favour of a very reply is requested as Government are pressing for a reply to their reference.

I have, etc.,  
(Sd.) H. H. HOOD,  
*Offg. Collector of Customs.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 23rd July 1914.*

No. 208.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras, E.

To

The Collector of Customs,  
Madras.

SIR,

I have the honour to reply to your reference R. B. G. No. 246, dated 21st July 1914.

2. The sub-clause referred to is 167 (37)c and not e. I shall thank you to correct the mistake accordingly.

3. The letter under reference purports to give the views of the Chamber on the interpretation and application of Section 32 of the Sea Customs Act, in reply to the invitation contained in your letter No. R. B. G. 246 dated 2nd June 1914 enclosing copy of the letter from the Government of India. Para 7 of this Chamber's letter, No. 191, dated 15th July 1914, contains a suggestion to

the Government of India, in the light of the prolonged correspondence this Chamber had with the Collector of Customs, and the Government of Madras, ending with the letter of the Secretary to Government, Revenue Department, No. 569 dated 3rd March 1911. There is no implication as stated in para 2 of your letter.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

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## Interview with the Finance Member.

THE HON'BLE SIR WILLIAM MEYER, K.C.I.E.

The Hon'ble Sir William Stevenson Meyer, K.C.I.E., I.C.S., Finance Member of the Government of India, was good enough to meet the members of the Chamber, at the Office of the Chamber, the INDIAN CHAMBER BUILDINGS, North Beach, Madras, on Thursday the 9th April, 1914 at 11 a.m.

The following members of the Chamber were present :—

1. Rao Bahadur P. Theagaroya Chetty (President)
2. Khan Bahadur M. A. Kuddus Badsha Sahib
3. Dewan Bahadur Govindoss Chathurboojadoss
4. Vidya Sagar Pandya, Esq.
5. M. R. Ry. V. Arunagiri Naidu Garu, B.A.
6. „ P. N. Muthusamy Naidu Garu, B.A.
7. „ M. Venugopal Naidu Garu
8. „ B. Chitti Baboo Naidu Garu, B.A.
9. „ C. Srinivasa Chariar Avl.
10. „ C. Gopala Menon Avl.
11. „ S. V. Ramaswamy Mudaliar Avl.
12. „ G. Narasimham Garu
13. Moulana Abdus Subhan Sahib, Esq.
14. Meer Abdur Rahiman Sahib, Esq.
15. C. Abdul Hakim Sahib, Esq.
16. Haji Mahomed Haneef Sahib, Esq.
17. H. H. Mahomed Abdul Azeez Sahib, Esq.
18. Yakub Hassan Sait, Esq.
19. M. R. Ry. N. Rajagopalan Avl.
20. M. R. Ry. Numbur Venkatrama Chetty Garu
21. M. R. Ry. C. Subbaraya Chetty Garu
22. M. R. Ry. A. L. A. R. Lakshmanan Chettiar Avl.
23. Rao Bahadur G. Narayanasawmy Chetty Garu

Khan Bahadur M. A. Kuddus Badsha Sahib and Dewan Bahadur Govindoss Chathurboojadoss, the two Vice-Presidents of the Chamber, with M. R. Ry. V. Arunagiri Naidu Garu and Mr. Moulana Abdus Subhan Sahib the two Secretaries, received the distinguished visitor on the ground floor and conducted him to the office upstairs. Here, Rao Bahadur P. Theagaroya Chetty received him at the entrance to the main hall.

The members of the Chamber were then introduced one by one, and Sir William Meyer shook hands with them all before taking his seat.

#### A MEMORANDUM.

Rao Bahadur P. Theagaroya Chetty, the President of the Chamber, then read the following Memorandum :—

SIR WILLIAM MEYER,—It gives us very great pleasure to welcome you to this Presidency as the Finance Member of the Government of India. We have been following your official career with considerable interest, and it is a matter of no small pride and satisfaction to us that you whom we claim as belonging to our Presidency have been chosen by His Imperial Majesty to fill your present high office. We need hardly say that the moral and material advancement of the country is entirely dependent on the measure of help you are able to give, and may we request that among the numerous claims on your resources as Finance Member, the needs of this distant Presidency will receive an adequate and proper recognition.

We beg to acknowledge with gratitude the valuable assistance in the shape of liberal grants and timely loans the Government of India have given hitherto for the extension and improvement of the Madras Harbour. But for such aid and encouragement we should have made no appreciable progress in our Port facilities. Nor should the Trade of Madras have advanced in the way it has done in recent years. But a great deal yet remains to be done; large undertakings are on hand; and the possibilities of trade are immense. It will be a long time, indeed, before our Port will be an up-to-date one, able to cope with the growing trade of the Presidency. We look to you, Sir, to help us, as best as you may, in the great undertaking of the development of our Port, during your tenure of office as Finance Member. We have been singularly fortunate in the leadership of the Port Trust, and it is only due to the Hon'ble Sir Francis Spring to say that with all the generous assistance of the Government of India and the Local Government we should not be where we are, if it were not for his initiative, enterprise and ability.

We can but speak of the Railway development of the Province with less cheer. The District Board Railway projects are about to make a start, after having gone through tedious preliminaries. Large tracts of country outside the scope of the local railway projects remain to be



opened up. The existing facilities of communications are found inadequate to tap the growing produce of the country; while the movement of goods from place to place is greatly impeded by the want of requisite rolling stock. Madras has received for long but poor recognition in the allotment of funds included within the Railway programme of the Government of India, and we earnestly request that the requirements of this Presidency for Railway development in respect of long pending projects and the improvement of open lines and rolling stock may be more sympathetically considered.

We note with special satisfaction the rupee loan of five crores which you have proposed to raise in this country. We particularly appreciate the desire of the Government of India to borrow more largely in this country. We are confident that this year's experiment will prove a success and justify a material advance in this direction in future years. We welcome also the relaxation in the Postal Savings Banks rules you have announced in your Budget speech. It may fairly be claimed for the new rules that they will tend to encourage freer deposits from small depositors. Their working will no doubt be watched with great interest, and we should like, if we may, to express the hope that this development of the Postal Savings Banks system will not be found to interfere with the working and growth of the very useful indigenous banking institutions of this part of the country, known as *Nidhis*.

Last year, this Chamber nominated Mr. Vidya Sagar Pandya the Secretary of the Indian Bank Ltd. to give evidence before the Royal Commission on Indian Finance and Currency. A copy of his memorandum has already been submitted to you. This Chamber, in inviting the attention of the Government of Madras to the evidence, drew special attention to that portion of it relating to the Presidency Banks and urged the great importance, desirability and justice of the Bank of Madras associating with their Board of Directors an adequate number of Indians, unlike heretofore. The Committee also drew attention to your observations made at the Imperial Legislative Council on the 2nd ultimo in regard to the part played by the Presidency Banks as the Bankers' banks in the country, and to the statement of your clear conviction that it would be impossible to assist Banking Institutions desiring assistance, except through the Presidency Banks, as emphasising all the more the need for securing by means of legislation an adequate Indian element. We need hardly point out that the Bank of Madras whose dealings are mainly, if not solely, with Indians will be better equipped for its extensive business by taking Indians on its Board. We hope that Government will exercise in a full measure such powers as they now possess under the Presidency Banks Act, scanty though they may be, and investigate how far the demand of this Chamber for the inclusion of the Indian element in the Bank of Madras's Directorate is reasonable, and if they are convinced, we request they may go further and persuade the Bank to take action under Sec. 24 of the Presidency Banks Act. We have represented these matters to the Government of Madras, and we desire to invite the attention of the Government of India also to the same.

The final Report of the Royal Commission is to hand by the last mail. With the appendices, the Report contains a great deal of information on a subject of great complexity which requires to be carefully studied and considered. But from the Indian point of view the Report is in many respects disappointing and incomplete. Some of the recommendations are halting and inconclusive. This Chamber may have to

address the Government on the reasonableness and feasibility of the proposals.

To one matter we may immediately draw your attention. At the end, the Commission suggests the appointment of an expert Committee to examine the whole question of establishment of a State Bank and "either to pronounce against the proposals or to work out in full a concrete scheme capable of immediate adoption."

We do not think there is a demand for a State Bank but such a Committee may be useful in other ways as the time has now come for a general review of the whole subject of the relations of the Presidency Banks with the Government and for defining their duties and services to the country in the interest of the Indian Public.

Prof. Keynes' Scheme for a State Bank appears to be a dream for an ideal Bank as conceived by the learned professor who wants to give in theory the best of the European system to a vast country whose local conditions he does not know at first hand. But it may still prove useful in bringing into prominence the question of the relations of the Presidency Banks with the Government and their services to the country as a whole and such an occasion may be well utilised, for providing an adequate representation of the Indian element on their Board and management, as previously indicated. The enquiry may also be useful for the Banking legislation contemplated for India.

We, in this Presidency, claim a large measure of success to the co-operative movement, and it is the supervision of Government and the audit of the accounts of the Co-operative Societies by Government Officers that has materially influenced that great success. It is the earnest prayer of all connected with the movement that official supervision and audit may be continued for at least a decade more, to ensure the stability and permanent success of the movement.

We conclude by wishing you a prosperous term of office as Finance Member, and pray that your financial years may be marked by progress and reform in all directions tending to the moral and material advancement of the numerous millions with whose welfare you are concerned.

### SIR WILLIAM MEYER'S REPLY.

MR. THEAGAROYA CHETTY AND GENTLEMEN,—I thank you very much for your kindly welcome. It has always given me great pleasure to hear of your Chamber which was but an infant when I was last in Madras and which has now developed and grown very well. I am very glad to meet you here and to receive this interesting address from you. I am not going to make a formal speech in reply to your address. What I propose to do is to have an informal talk on various matters referred to in the address. I shall begin with the Madras Harbour.

#### THE MADRAS HARBOUR.

SIR WILLIAM MEYER :—"What have you got to complain of the Madras Harbour? Yesterday, I went with Sir Francis Spring and visited the

Harbour. I know that the Government of India have lately made a loan of Rs. 50 lakhs. I was surprised at the enormous progress the Harbour had made since I was last here. Vessels can come up to the quays to load and unload your goods. You have got excellent goods shed and so on. Still you say in your address a great deal remains to be done".

MR. P. THEAGAROYA CHETTY :—" We want a number of godowns for storing goods. That means a large amount of money. The matter is now before the Madras Government and they have promised to grant a loan of about Rs. 10 lakhs at present ".

SIR WILLIAM MEYER :—" They have not spent the 50 lakhs yet ".

MR. P. THEAGAROYA CHETTY :—" That was for the quays. We want money for the godowns and this request is before the Madras Government."

SIR WILLIAM MEYER :—" This is a small matter and the Madras Port Trust ought to be able to help itself. Bombay and other places did not ask the Government of India for such loans for their ports ".

MR. P. THEAGAROYA CHETTY :—" This is not like Bombay or Calcutta. Bombay is a very rich port. The Government of India have been very kind to us, no doubt. We want them to be a little more kind ".

SIR WILLIAM MEYER :—" When the request comes from the Madras Government, that will be very carefully considered. But your port is in a flourishing state and you must be able to finance yourself to some extent."

MR. P. THEAGAROYA CHETTY :—" We require these additional sums for godown accommodation ".

SIR WILLIAM MEYER :—" You are extremely fortunate in having Sir Francis Spring as the Chairman of the Harbour Trust Board."

MR. P. THEAGAROYA CHETTY :—" I am sorry that he is going away. A number of things have to be done before he leaves."

SIR WILLIAM MEYER :—" You ought to put up a statue to him."

MR. P. THEAGAROYA CHETTY :—" If anybody deserves a statue, it is he."

#### RAILWAY DEVELOPMENT.

SIR WILLIAM MEYER :—" As regards Railways, when I was here last, the questions of the District Board Railways were hanging fire. But now, Sir Harold Stuart has settled that question for you. You are going ahead of other provinces in this respect. As regards the Imperial Programme, you will have in a very short time the Pan-rutti-Trichinopoly line. Any request for extension of Railways should be addressed to the Railway Board."

MR. P. THEAGAROYA CHETTY :—" You are in charge of the Finance. You have been in this Presidency. Madras does not receive as much as it ought to, from the Government of India."

#### RUPEE LOAN IN INDIA.

SIR WILLIAM MEYER :—" How much of the Government loans has Madras subscribed during the recent years? Madras has not taken much."

MR. P. THEAGAROYA CHETTY :—" Madras could not afford to take more."

SIR WILLIAM MEYER :—" Madras is not so very poor."

MR. P. THEAGAROYA CHETTY :—" We are trying to do our best."

#### POSTAL SAVINGS BANKS.

SIR WILLIAM MEYER :—" You welcome the new rules of the Postal Savings Banks and yet you have some little apprehension about *Nidhis* being interfered with. A lot of *Nidhis* were badly managed so much so that Mr. N. Subba Rao wanted legislation to regulate them."

MR. P. THEAGAROYA CHETTY :—" People are now able to discriminate good from bad and they have very much improved. We want *Nidhis* having small permanent investors."

SIR WILLIAM MEYER :—" Some of the Banks in the Punjab have failed."

MR. P. THEAGAROYA CHETTY :—" But ours is a matter of very small amounts."

SIR WILLIAM MEYER :—" In a year or two we shall be able to judge of the results of the new Postal Savings Bank Rules. They may help us very much in the Railway Programme. Your *Nidhis* do not."

MR. P. THEAGAROYA CHETTY :—" But they are locally useful."

SIR WILLIAM MEYER :—" If they are well managed they will prosper."

#### PRESIDENCY BANKS AND GOVERNMENT.

SIR WILLIAM MEYER :—" With reference to the State Bank, you suggest that the Committee which is to examine the question of the establishment of a State Bank might consider the relations of the Presidency Banks with the Government and as to defining their duties and services, if a Scheme for a State Bank is found not to be practicable at present ; and that such an enquiry may be useful for Banking Legislation. These are useful suggestions. Then coming to a particular matter, you want put into the Board of Directors of the Bank of Madras an adequate number of Indians. The Directors are elected by shareholders. If you want Indians as Directors, they must have shares in the Presidency Banks. How can the Government intervene in this matter ? How can they take action under Sec. 24 of the Presidency Banks Act ?"

MR. VIDYA SAGAR PANDYA :—" The Government can ask them to take action under Sec. 24 of the Presidency Banks Act. Under Sec. 24 of the Act, the minimum number of Directors is 6, and the maximum number is 9, and at present the number of Directors in the Bank of Madras is only 7. Practically there are two seats which could immediately be filled by appointing Indians."

SIR WILLIAM MEYER :—" This is a domestic matter for the Bank of Madras to deal with."

MR. VIDYA SAGAR PANDYA :—" Government has got its accounts with the Banks. Large deposits have been made by Indians owing to that and they ought to be represented there. Five-sixths of the amounts advanced are to the Indians. Surely they would require the help of the Indian Directors in making those advances. Indian Directors with their better knowledge of Indians could make safer advances. Indians possess local knowledge and therefore they ought to be on the Directorate in the interest of the Bank itself."

SIR WILLIAM MEYER :—" How can Government interfere ? "

MR. P. THEAGAROYA CHETTY :—" If Government do not keep accounts the public would not deal with them as they are doing now . "

SIR WILLIAM MEYER :—" Government balances do not form such a large proportion of their resources as they did some years ago " .

MR. P. THEAGAROYA CHETTY :—" Government put their money in the Presidency Banks. That was the cause of people going there to deposit their money. Otherwise the Banks cannot attract so much deposits " .

SIR WILLIAM MEYER :—" Withdrawal of Government Balances would not affect them very much . "

MR. VIDYA SAGAR PANDYA :—" It would seriously affect them. It is the close connection with the Government that brings them the large deposits. All other Banking Institutions started about the time these Banks were established have come to grief for want of the prestige of such Government connections " .

MR. P. THEAGAROYA CHETTY :—" It is Government's connection with the Banks that gives much confidence to the people . "

SIR WILLIAM MEYER :—" Let us come back to the question of Indian Directors. Why don't you combine to elect an Indian shareholder as Director ? "

MR. VIDYA SAGAR PANDYA :—" Only one-fourth of the shareholders of the Bank of Madras are Indians . "

MR. P. THEAGAROYA CHETTY :—" Shareholders' attendance at the Bank Meetings is very poor . "

SIR WILLIAM MEYER :—" Why don't you turn up and elect your own Director ? "

MR. P. THEAGAROYA CHETTY :—" That we will have to do if all other means failed . "

SIR WILLIAM MEYER :—" You can do that under the existing constitution before you require an amendment of the Presidency Banks Act . "

MR. VIDYA SAGAR PANDYA :—" The present shareholders are unable to turn up in sufficient numbers. Most of them are probably out of Madras. Out of 943 shareholders, 181 are Indians and several of them are mofussal shareholders ; and the share capital of the Indians is 16 lakhs as compared with 58 lakhs held by the Europeans. Shareholdings are practically fixed investments. Shares do not change hands. It is difficult for Indians to buy up more shares. Indian shareholders find it difficult to do anything even if they attend meetings of the Madras Bank . "

SIR WILLIAM MEYER :—" How many shareholders of the Madras Bank are here to-day ? "

MR. P. THEAGAROYA CHETTY :—" Two " .

MR. N. RAJAGOPALAN :—" Proxies, of the large number of European shareholders have also to be taken into consideration . "

SIR WILLIAM MEYER :—" You must begin to help yourself before you ask for help (addressing Mr. Vidya Sagar Pandya). Take your own Bank Meetings. Is the attendance of shareholders large ? "

MR. VIDYA SAGAR PANDYA :—" Very good . "

SIR WILLIAM MEYER :—" All these representations will be considered in due course. But before you amend a constitution whether it is of a country, a city or a bank consider what you can do under the existing constitution?"

### INDIAN CURRENCY COMMISSION.

SIR WILLIAM MEYER :—" You are not quite satisfied with the report of the Currency Commission. What is the cause of your dissatisfaction?"

MR. VIDYA SAGAR PANDYA :—" We may have to address the Government on the several points but take for instance: They speak of having a gold standard without gold currency."

SIR WILLIAM MEYER :—" So you take the view taken by Sir James Begbie?"

MR. VIDYA SAGAR PANDYA :—" Yes."

SIR WILLIAM MEYER :—" There are a number of points on which you intend to address the Government."

MR. VIDYA SAGAR PANDYA :—" Later on we will do it."

SIR WILLIAM MEYER :—" You will have to be quick about it. If you have any representation to make, please make them soon."

MR. VIDYA SAGAR PANDYA :—" We will do so."

### STATE BANK.

SIR WILLIAM MEYER :—" You do not believe in a State Bank. You were before the Royal Commission."

MR. VIDYA SAGAR PANDYA :—" Yes, this Chamber did me the honor of nominating me to give evidence."

SIR WILLIAM MEYER :—" You said larger use may be made of Government Balances; they may be given to the several Banks started all over the country."

MR. VIDYA SAGAR PANDYA :—" Yes, to all Banks of *standing*."

SIR WILLIAM MEYER :—" The Specie Bank was supposed to be a Bank of *standing*."

MR. VIDYA SAGAR PANDYA :—" The Bank of Bombay was also supposed to be a good bank before it failed."

SIR WILLIAM MEYER :—" But that was once in a way. Government thereupon started their own Reserve Treasuries."

MR. VIDYA SAGAR PANDYA :—" If the Government had taken security they would not have been the worse for it."

SIR WILLIAM MEYER :—" What we want is to see money returned promptly. Supposing Government had lent 50 lakhs to the Specie Bank would it not have been inconvenient to have thrown on its hands such a large quantity of its own paper."

MR. VIDYA SAGAR PANDYA :—" That could be easily disposed of. 50 lakhs is only a couple of days transaction in Government papers in Bombay and is nothing compared with Indian Securities given by the borrowers in England of Indian Balances."

## BANKING LEGISLATION.

SIR WILLIAM MEYER :—" You have not said anything about the Banking Legislation."

MR. VIDYA SAGAR PANDYA :—" When we get the Draft Bill we will be in a better position to give our opinion."

SIR WILLIAM MEYER :—" The Government of India has circulated a letter on the subject."

MR. VIDYA SAGAR PANDYA :—" The Chamber has approved of the Government of India's letter."

SIR WILLIAM MEYER :—" I have not seen your letter, but you are in general agreement on principle?"

MR. VIDYA SAGAR PANDYA :—" Yes, there we agree."

## CO-OPERATIVE MOVEMENT.

SIR WILLIAM MEYER :—" You believe that a large measure of the success of the co-operative movement in this Presidency is due to the supervision of Government and the audit of accounts of the societies by Government officers."

Sir William Meyer asked if any Member wished to put him any further questions.

## HIGH PRICES INQUIRY.

MR. VIDYA SAGAR PANDYA :—" What has become of the High Prices Inquiry Report of Mr. K. L. Datta?"

SIR WILLIAM MEYER :—" The Report has come in. It has got to be considered. I have been busy with the Financial Crisis and then with the budget but I hope to take up the matter at Simla this season."

## INCOME-TAX.

MR. N. RAJAGOPALAN :—" Those whose income is a few rupees above Rs. 1,000, have to pay the income-tax for the whole income. This falls heavily upon the lower classes of merchants. If a man's income is Rs. 1,020, he wants to forego Rs. 20 with a view to escape the clutches of the income-tax collector."

SIR WILLIAM MEYER :—" It is a matter of difficulty in every country."

MR. N. RAJAGOPALAN :—" This country is distinct from other countries. We are not exempt from paying tax upon Rs. 1,000 but they are. Rs. 1,000 is not to be assessed."

SIR WILLIAM MEYER :—" That would involve a considerable amount of re-adjustment. You should be wary about quoting the English income-tax system. In England the income-tax is much higher than ours. In the United Kingdom it is ordinarily 14d. in the pound."

MR. N. RAJAGOPALAN :—" We live upon agricultural taxation and they live upon industrial taxation. People there depend upon industries for their living. This is a matter which may receive your attention."

SIR WILLIAM MEYER :—" When there is occasion to deal with the income-tax, that will certainly be considered among other things. But it is always a dangerous matter to play with the income-tax when it is not really necessary."

## GENERAL.

MR. P. THEAGAROYA CHETTY :—" Sir, you have been in Madras and we hope that Madras would receive equal, if not better, attention from you as the other Presidencies."

SIR WILLIAM MEYER :—" Do you think that Madras has been neglected?"

MR. P. THEAGAROYA CHETTY :—" No! No!"

SIR WILLIAM MEYER :—" I shall do my best. But I must be impartial."

MR. P. THEAGAROYA CHETTY :—" We want you to be impartial to all the Presidencies. You are the mother of all the provinces in financial matters, and Madras is the eldest of your children."

SIR WILLIAM MEYER :—" Have you any Indian to represent Indian Commerce in the local Council?"

MR. P. THEAGAROYA CHETTY :—" Khan Bahadur Hajee Ismail Sait is nominated by the Government."

Mr. P. Theagaroya Chetty thanked the Hon'ble Sir William Meyer for his having met them.

With this the interview terminated, and the Hon'ble Sir William Meyer, after shaking hands with the Members, left the Chamber at about 12 noon.

—:O:—

## Ry. Freight on Firewood.

MADRAS,

9th June 1914.

From

The Firewood Merchants

of Venkatagiri, Yellakur, Gudur,

Naidupet, Doraivarichatram, Tada and

Arambakkam.

To

The President,

The Southern India Chamber of Commerce,

Madras.

SIR,

We the undersigned fuel merchants of the above places beg to bring the following grievances to the notice of the Southern India Chamber of Commerce with a sanguine hope that your Committee will kindly take steps to remove the said grievances.

2. From the days of our ancestors, it has been our hereditary profession to take lease from Government and



Zemindary forests and fell and consign the fuel in large quantities to Madras.

3. It had been our want to take lease of forests in the close vicinity of the Buckingham Canal through which we had then to pass the fuel to Madras, but some 10 years ago the late Madras Railway Company gave us assurances that we could with considerable advantage divert the traffic from the Canal to their Railway and promised that they could provide us with all the necessary conveniences for the profitable carrying on of our trade, such as, supply of wagons in time and charging cheaper freights. This naturally induced us to give up taking leases of forests near the Canal and to take up leases of forests near the Railway lines.

4. In thus altering the place of our operations so long as the late Madras Railway Company continued its management, we suffered no loss or inconvenience as wagons were supplied in sufficient numbers and very moderate freight charges were imposed. But after the transfer of management from the late Madras Railway Company into the hands of the Madras and Southern Mahratta Railway Company difficulties in the matter of supply of wagons and freight charges gradually began to confront us, it needs hardly be said to the great detriment of our trade facilities. Wagons are not supplied regularly and in sufficient numbers, especially on the N.-E. Line for the last four months, and the freight charges are being raised from time to time, all of which very injuriously tell upon our trade.

5. The plea of the Railway Company for thus acting being that wagons are required for more urgent purposes elsewhere for perishable articles; it is difficult to see why coal and stone being equally imperishable like firewood should deserve better treatment at the hands of the Railway Company in the matter of supply of wagons.

6. The repeated representations of our grievances to the Railway Company prove to be of no avail as every time we send a letter we invariably receive a stereotyped reply "that the matter is receiving special attention". But unfortunately nothing is done towards the redress of our grievances.

7. The difficulties we are labouring under, have been set forth in the columns of the *Indian Patriot* and the *Madras Standard*, and the editor of the former noticing the gravity of our situation wrote also a leading article urging on the early removal of our troubles. But we are sorry to say that even these failed to produce the desired effect.

8. It is highly disappointing to see that while the Railway Company are unable to cope with the exigency of the local constituents, they make it a settled rule of action, we hear to lend wagons to foreign lines which is highly baneful to our cause.

9. Our request to the Railway Company to increase the rolling stock to maintain supply and demand in equilibrium is invariably met with the response that some wagons are likely to remain unused in dull seasons and that even if the Company should venture to increase the rolling stock, the Government would not sanction such a proposal. In this connection we beg to point out that the argument of the extra wagons remaining unused during dull seasons will not hold water as we experience the difficulty throughout the year, as the commerce in Southern India is in a progressive state.

10. In consequence of innovations introduced from time to time, and lack of wagons when required and increase of tariff rates, some of us have had to give up our trade as may be expected, this has brought about a great falling off in the firewood traffic on the metre gauge lines between Renigunta and Gudur, all of which can be ascertained from the railway records themselves and by the fact of high prices of casuarina fuel in Madras in the absence of jungle-wood.

11. It is a grievous fact that for the last three years the Railway Company have been increasing the tariff rates for firewood by fits and starts which aggravate our difficulties more and more. Unlike the principle adopted in the matter of Revenue Assessment that alteration of taxes should be made only once in thirty years, the Railway Company make it a point to raise the tariff rates on and on at their pleasure.

12. As regards the question of freight, we wish to explain an anomaly here. The distance between Madras and Tettu is 150 miles and the Railway freight for 320 maunds of firewood for this distance is Rs. 40. The distance between Madras and Bitragunta is 131 miles and the Railway freight for 320 maunds for this distance is Rs. 30. The distance between Madras and Venkatagiri is 108 miles *i.e.*, 42 miles less to Tettu and the Railway freight for 320 maunds for this distance is Rs. 41-5-0 when wood is loaded in C. G. N. wagons.

13. Till last year, we were allowed to consign our firewood from Venkatagiri to Madras, *via* Gudur by through-booking in any type of wagons but for the last six months we are restricted from through-booking of firewood by C. G. N. wagons which hold nearly the maximum weight charged for. We are now compelled to consign our firewood by through-booking in C. G. wagons only, which do not hold more than 200 maunds, as firewood is bulky but not weighty, and the same is charged for 320 maunds.

14. We are therefore at a loss to know why there should be such mighty differences. What we really want is that the Railway Company should be just and equitable in charging rates for firewood according to mileage and actual quantity of wood loaded in any type of wagons.

15. We beg to inform you that on account of the grievances set forth in the above paras, our trade has been considerably impaired and our suffering has become quite indescribable. In view of these circumstances, we would most humbly request that your august Committee to prevail upon the Railway Company so that they may comply with the following requests:—

- (a) That the Chamber may be pleased to urge the Railway Company to supply us wagons in time to meet our full requirement.
- (b) That the Chamber may kindly instruct the Railway Company not to lend their wagons to foreign lines in the face of local demands for the same.

- (c) That the Chamber may graciously be pleased to move the Government to allow the Railway Company to increase the rolling stock.
- (d) That the Chamber may kindly urge the Railway Company to adhere to the tariff rate which was in force in 1911-12.
- (e) That the Chamber may be pleased to insist on the Railway Company to maintain uniform rates in accordance with mileage and actual quantity of wood loaded.
- (f) That the Chamber will be pleased to ask the Railway Company to allow us to consign our fuel from Venkatagiri to Madras by through-booking as before by any type of wagons available on the line without any restriction whatever.

We beg, etc.,

(Sd.) MUHAMMAD HUSSAIN SAHIB,

AND 11 OTHERS.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 29th June 1914.*

No. 180.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Agent,  
Madras and Southern Mahratta Railway Company,  
Royapuram.

SIR,

I have the honour to enclose copy of a communication addressed to this Chamber by the firewood

merchants of Venkatagiri, Yellapur, Gudur, Nayudupettah, Doraivarichatram, Tada, Arambakkam and other places.

It will be observed that in para 4 of the communication it is alleged that wagons are not supplied regularly and in sufficient numbers and that the Railway freight on firewood is heavy and raised from time to time to the detriment of the trade in the article. It is further alleged in para 5 that in the matter of wagon supply, coal and stones receive preferential treatment, that notwithstanding the local demand and the inadequate supply there has been a free loan of wagons to foreign railways (para 8). Complaint has also been made of restriction in the use of a special type of wagons thereby causing much loss to consignors (para 13). On the question of freight an anomaly is pointed out, namely, that the distance between Madras and Tettu is 150 miles and Railway freight for 320 maunds of firewood for this distance is Rs. 40, the distance between Madras and Bitragunta is 131 miles and the Railway freight for 320 maunds is Rs. 30, while the distance between Madras and Venkatagiri is 108 miles, *i.e.*, (42 miles less than the distance between Madras and Tettu) and the freight on the same quantity is Rs. 41-5-0 when loaded in C. G. N. wagons.

At the desire of my Committee I am to request you to be so good as to favour me with your views as regards the several allegations above referred to. I am to request you in particular to enlighten me with full particulars as regards the present tariff freights of firewood and as to what changes have been made in recent years in the rates and also the reasons which necessitated those changes.

As the matter is one that may likely be discussed with the President, Railway Board, when he may shortly be in Madras, I shall feel very much obliged if you will kindly traverse the several points raised in the complaint and call for a full report on the subject from your traffic officers.

Kindly treat this reference as "URGENT".

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

M. &amp; S. M. RY.

AGENT'S OFFICE,

*Madras, N. E., 31st July 1914.*No. 2234/1151

T.

To

The President,

The Southern India Chamber of Commerce,

Madras, E.

DEAR SIR,

With reference to your No. 201, dated the 20th instant, I beg to say that the matter is under correspondence with the Company's General Traffic Manager, and I hope to send a reply to your letter of the 29th ultimo shortly.

Yours faithfully,

(Sd.) W. S. S. BISSET,

for *Ag. Agent.*

M. &amp; S. M. RY.

AGENT'S OFFICE,

*Madras, N. E., 7th August 1914.*No. 2234/1151

T.

To

The President,

The Southern India Chamber of Commerce,

Madras.

SIR,

With reference to your letter No. 180, dated the 29th June 1914, regarding the supply of wagons for, and freight charges on, firewood, I have the honour to state as under :—

2. As firewood is light and does not give full loading, the merchants always pressed for the highest capacity

wagons and refused to load smaller ones when supplied. Thus small empties available at stations had often to be worked away empty and larger ones hauled to the loading stations, resulting in an unnecessary increase of empty haulage. To prevent this, an extra charge of 15 per cent. was levied from 1st July 1912 on all wagons of higher capacity than 12 tons. This has not had the desired effect as the merchants still wished to load only the highest capacity wagons since they found that, in spite of the higher charge, the bigger wagon was more advantageous to them than the 12-ton wagon.

3. It was therefore decided, with effect from 1st July 1914, to charge a rate of annas  $3\frac{3}{4}$  per wagon per mile for a 12-ton wagon subject to a maximum weight of 300 maunds loaded in it and a rate of annas  $4\frac{1}{4}$  for higher capacity wagons, subject to the same limit of 300 maunds. This arrangement means a reduction of the freight charge on a 12-ton wagon by 6 pies and on a 16-ton wagon by 1 pie per wagon per mile. As wagons of over  $16\frac{1}{2}$  tons capacity naturally carry more than 300 maunds of firewood, a proportionate extra charge for the excess of over 300 maunds is levied. In other words, we have made it possible for any wagon that is supplied to be used, as under the present arrangement it does not matter to the merchant what wagons are supplied, the charges per ton being about equal in any case.

4. Taking the Metre Gauge line, prior to 1st July 1912, firewood was charged at Schedule N rate on a minimum of 160 maunds per wagon used. As more firewood can be loaded in C. G. N. wagons than in the ordinary C. G. wagons, the former were always in demand, so much so that merchants refused to load ordinary wagons whenever available and these had to be worked away empty and C. G. N. wagons supplied in their stead which also had to be hauled empty to the loading stations. As in the case of Broad Gauge stock, the 15 per cent. extra charge was levied on Metre Gauge C. G. N. wagons from 1st July 1912. This however had not the desired effect and consequently from 1st July 1914, the proportionate extra charge has been raised to 25 per cent. to correspond

with the actual loading obtained in a C. G. N. wagon as compared with that in an ordinary C. G. wagon.

5. In the case of traffic booked from Metre Gauge Stations direct to Madras or other Broad Gauge Stations, it is found that two C. G. N. wagons could not be generally loaded by our transshipping staff into one Broad Gauge wagon of any capacity with the result that we have often had to haul two Broad Gauge wagons for every two Metre Gauge C. G. N. wagons booked at the forwarding stations, without any extra charge for the second wagon over the Broad Gauge. As such a state of affairs could not be allowed to continue, it was ruled from 1st February last that C. G. N. wagons should not be used for firewood in through-booking with stations on the Broad Gauge. They can however be used locally on the Metre Gauge Section. The merchants have thus the option of booking firewood in two C. G. N. wagons locally to the junction with the Broad Gauge and thence re-booking to Madras.

6. It is usual for shipment traffic to be treated as more urgent than other traffic. This accounts for stone traffic being given wagons in a few cases.

7. With regard to wagons for back loading of coal this is a recognised practice of all Railway Companies in times of pressure. It is exceptional for wagons to be lent to foreign lines.

I have, etc.,  
(Sd.) G. A. WILBY,  
for *Ag. Agent.*

(True Copy)

Forwarded to Mr. Mahomed Hussain Sahib and other Firewood merchants of Venkatagiri, etc., for information.

(Sd.) C. DURAISWAMI AIYANGAR,  
*Assistant Secretary.*

MADRAS,  
17th August 1914.)



SETTIGUNTA,

1st September 1914.

To

The President,

The Southern India Chamber of Commerce,

Madras.

SIR,

With reference to the copy forwarded to me of letter No. 2234/1151 dated the 7th instant from the Agent, T.

M. and S. M. Ry. Co., Ltd., Madras, addressed to you in reply to your letter No. 180 dated the 29th June 1914, I beg to lay the following points before the Chamber for favour of addressing the Railway Company again to reconsider them and issue necessary orders to allay the distress the firewood merchants are subjected to.

(2) I really regret to indicate that the Railway authorities have failed to grasp the real grievances enumerated in our petition dated the 9th June 1914 addressed to you ; but have replied rather gropingly without touching upon the different aspects of the subject.

BROAD GAUGE. PARA 2 OF THE AGENT'S LETTER.

(3) The Railway Company is expected to supply wagons of the particular type requisitioned by the merchants and as such, I am at a loss to know why the Railway Company should complain of "empty haulage at the loading stations" unless it so happens that some of the merchants fail to make use of the wagons supplied to them, which is never the case. The Railway Company appear to have counted upon the pressing demand for wagons of higher capacity as the prerogative for levying thereon an extra charge of 15 per cent. from 1st July 1912 and afterwards it has been further increased from 25 to 35 per cent. extra charge in accordance with the revised tariff rates from 1st July 1914, which does not at all stand to reason.

PARA 3 OF THE AGENT'S LETTER.

(4) The Railway Company's contention as to the alleged reduction of freight charge by one pie for a 16-ton

wagon per mile seems insignificant on the face of their reduction of the maximum weight from 320 maunds to 300 maunds, which means an enhancement of Railway freight, because the excess over 300 maunds is charged at 25 and 35 per cent. extra for wagons of 16½ tons and over, respectively, and this has however not been explained in the Agent's letter.

PARA 4 OF THE AGENT'S LETTER. METRE GAUGE.

(5) The Railway Company have no reason to complain of empty haulage even on Metre Gauge as per reasons given in para 3 supra; and they are not also justified in constantly increasing the Railway freight, *i.e.*, sometime by 15 per cent. and sometime by 25 per cent. as admitted by them and even 35 per cent. according to the revised tariff rates, simply because they find that there is a demand for C. G. N. wagons.

(6) I echo the sentiments and feelings of firewood merchants when I submit that we are prepared to consign our firewood by wagons of any type supplied to us provided the Railway freight is not increased from time to time, but charged according to the mileage and the actual quantity loaded therein, but not on their carrying capacity as it is done at present.

PARA 5 OF THE AGENT'S LETTER.

(7) As a matter of fact wood loaded in 2 M. G. (metre gauge) wagons consigned from Venkatagiri to Madras *via* Gudur was never re-loaded in 2 B. G. wagons (broad gauge) at Gudur which fact may be verified from the Railway records kept at Gudur for the last one year; but there might have been such instances only at Renigunta as alleged by the Company, which is attributable to the recklessness of their menial staff there. Is it therefore to be presumed that the firewood merchants at Venkatagiri should suffer for the sake of those at Renigunta and be deprived of the privilege of consigning firewood in C. G. N. wagons by through-booking from Venkatagiri to Madras *via* Gudur? I have repeatedly brought this matter to the notice of the General Traffic Manager but to no effect.

## PARA 6 OF THE AGENT'S LETTER.

(8) Is it not reasonable from the commercial point of view, that the firewood merchants should likewise be treated under the same category as the stone merchants as firewood is a more essential commodity than stone, the former being one of the necessities of life. Despatch of stone "by shipment" does not really in my opinion inculcate the exclusive preference being shown to the same.

## PARA 7 OF THE AGENT'S LETTER.

(9) When the Railway Company are not in a position to cope with the exigency of their local constituents, it is no doubt highly objectionable on the part of the Company to lend wagons to foreign lines to the detriment of the firewood merchants though it has all along been their practice as expressed in their letter.

(10) Wagons are supplied to foreign lines for coal "in times of pressure" and wagons are supplied for stone traffic "for shipment" sake as admitted by the Railway Company and grain traffic is also often given preference "in season time" as it is their recognised practice. When is the firewood traffic after all to receive their attention, which is a matter to be now solved?

(11) The Railway Company were not good enough to explain the anomaly alluded to in para 12 of our letter dated the 9th June 1914, addressed to you *re* the mighty differences in freight charges, which have been levied on firewood, irrespective of the mileage. I think that the Railway Company have perhaps no grounds to establish their own cause in charging more freight for less distances. Hence silence.

(12) Under these circumstances I shall feel highly thankful if you will be pleased to readdress the Railway authorities to reconsider our grievances set forth above, and comply with the following requests:—

- (a) Firewood traffic should also be viewed with the same urgency and prompt attention as coal and stone traffic in the matter of supply of wagons.

- (b) Tariff rates which were in force during 1911-12 should be enforced in future, thereby avoiding higher freight charges and constant fluctuations for firewood traffic.
- (c) Railway freight should be charged according to the mileage and the actual quantity of wood loaded, but certainly not on the carrying capacity of wagons as it is now being done by the Railway Company.
- (d) Through-booking of firewood in C. G. N. wagons from Venkatagiri to Madras *via* Gudur should be continued as before.
- (e) The excess over the prescribed maximum weight of firewood should only be charged at the original rate, cancelling the extra freight charges of 25 and 35 per cent. as introduced from 1st July 1914, which does not seem just and equitable.

I beg, etc.,  
(Sd.) MUHAMMAD HUSSAIN,  
*Forest and Railway Contractor.*

—:o:—

## Hides Export and German Firms.

CUSTOM HOUSE,  
Madras, 30th April 1914.

No. R. B. G. 193/14.

From

H. H. Hood, Esq.,  
Offg. Collector of Customs,  
Madras.

To

The Secretary,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

I have the honour to state that Messrs. M. M. Isphani and Sons of Calcutta and Madras have represented to the Government of India that some German

firms at Calcutta have formed themselves into a league styled "The Calcutta Hide and Skin Shippers' Association". This Association is stated to be nothing more than a Trust, the purpose of which existence is to boycott any outside firm which attempts to ship hides from India. Messrs. Isphani and Sons say that their firm has been boycotted in the hides trade locally and in Austria and Germany by the above Association who are alleged to have used the sentiment of nationalism in achieving their object in the Hamburg market.

2. Under direction by the Board of Revenue, I have the honour to enquire whether your Chamber has any knowledge of the matter. In the event of the allegations made by the firm being correct, the Government of India wish to know the method of procedure adopted by the German firms and the extent of the monopoly they have been able to build up in the export trade of hides and whether any remedial measures are necessary or desirable. I shall be obliged if you would favour me with the views of your Chamber in the matter.

I have, etc.,

(Sd.) H. H. Hood,

*Offg. Collector of Customs.*

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*Calcutta, 11th May 1914.*

The Secretary,

The Indian Chamber of Commerce,

Madras.

DEAR SIR,

Our Madras Firm informs us that you have taken the trouble to call on it to obtain as much information as possible in respect of the boycott that has been enforced on us both in Calcutta and Europe by our opponents, the German shippers of hides from Calcutta. As our firm in Madras is not affected and has never done the business that we are doing with the continent of Europe,

therefore the partner there in charge does not know anything about this boycott barring its meagre outlines. We would therefore beg that on all points that you wished to be informed you would be good enough to refer to us in Calcutta and we shall supply you with minute details.

We may inform you that we are still under a boycott in the Calcutta Bazaar and also on the continent of Europe.

Thanking you for the interest that you take in the matter,

We are, etc.,

(Sd.) M. M. ISPHANI & SONS.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 25th May 1914.*

No. 97.

Messrs. M. M. Isphani & Sons,  
Calcutta.

GENTLEMEN,

I am to thank you for your letter of the 11th inst. in respect of the boycott of hides and skins by German shippers. My Committee will be very thankful to you for any particulars you may furnish regarding this boycott in Calcutta. I may add, we are making local enquiries, at the instance of the Government, to find out the extent of the boycott locally, the method of procedure adopted by the German firms on this side and the nature of the remedial measures to be adopted.

Your information regarding the state of affairs in Calcutta, under these heads will be of much interest to us here.

Yours faithfully,

(Sd.) M. A. SUBHAN,

*Honorary Secretary.*

*Madras, 4th June 1914.*

Messrs. The Southern India Chamber of Commerce,  
Madras.

SIRS,

In reference to the letter received by you from the Collector of Customs, calling for the views of our Chamber in regard to the method of procedure adopted by the German firm, I am strongly of opinion that our Government should not allow the existence of such an Association, as their object will hamper and kill the trade of their Indian subjects. When they see that they can successfully continue in the boycotting of outside firm attempting to do a similar business, they could as well organise a similar Association for political purpose. Therefore I cannot too strongly urge on you the advisability of representing to the Government that we are not at all in favour of the existence of such an Association having for its object "the boycotting."

Trusting that the Chamber will endorse my views in the matter,

Yours faithfully,  
(Sd.) H. Md. HANEEF SAIB.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 29th June 1914.*

No. 179.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce.

To

The Collector of Customs,  
Madras.

SIR,

Adverting to your letter of the 30th April last and your subsequent reminders, regarding the alleged boycott

of hides and skins by certain German Firms, I have the honour to state that this Chamber has caused careful enquiries to be made in the matter and has not come across any evidence of the existence of the practice referred to in the letter.

Under these circumstances, my Committee have nothing to suggest as regards the practice elsewhere.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

—: o :—

## **The Provincial Insolvency Act.**

JUDICIAL DEPARTMENT.

*Dated Ootacamund, the 1st July 1914.*

No. 1797 B-3.

From

The Hon'ble Mr. A. Butterworth, I. C. S.,

Ag. Chief Secretary

to the Government of Madras.

To

The Chairman,

The Southern India Chamber of Commerce,

Madras.

SIR,

I am directed to forward a copy of circular letter from the Government of India, Home Department, No. 658, dated the 23rd May 1914, with its enclosures, regarding the working of the Provincial Insolvency Act, 1907 and the desirability of amending some of its provisions, and to request that the Chamber will be so good as to favour the Governor in Council with its observations on the specific amendments proposed in paragraph 5 of the letter and with its remarks on any other amendments, the desirability of which may suggest itself to the Chamber.



I am to request the favour of a reply not later than the 1st September next.

I have, etc.,  
(Sd.) T. J. TASKER,  
for *Chief Secretary*.

[ENCLOSURE.]

No. 658-670.

Home Department.

*Judicial.*

*Simla, the 28rd May 1914.*

SIR,

The attention of the Government of India has been drawn to various adverse comments which have been made in the annual provincial reports on the Administration of Civil Justice and in the press on the working of the Provincial Insolvency Act, 1907 (III of 1907). The Provincial Insolvency Act follows closely the corresponding English Act (46 and 47 Vict., Cap. 52), and that it was not put forward as a complete or perfect law of insolvency for the *mofussil* was admitted by the Hon'ble Sir Erle Richards when presenting the Select Committee's Report on the Bill which afterwards became law.

2. Prior to the passing of this Act, a debtor was entitled to apply to the Court to be declared an insolvent under chapter 20 of the Code of Civil Procedure, 1882, and under section 351 of that Code, the Court had discretion to refuse to make an order declaring the applicant to be an insolvent if it was not satisfied that the statements in the application were true, or if there was reason to believe that the judgment debtor, with intent to defraud his creditors, had concealed or transferred property, or had shown unfair preference to any creditor or had committed any act of bad faith. In the result many dishonest applicants for insolvency were exposed and their petitions rejected, and thereupon they became liable to arrest in execution of a decree, if their creditors could establish that they were really possessed of any property.

3. Although some of the earlier decisions of the Courts after the passing of the Act of 1907 give colour to the view that it was still possible to refuse asylum to a debtor who had applied for relief if he was proved guilty of fraudulent conduct, this position appears to be no longer maintained. According to more recent decisions of at least two High Courts (*vide* 12 C. L. J. 400 and 445 and I. L. R. 32 All. 645) a Judge acting under section 15 of the Provincial Insolvency Act, 1907, is not empowered to reject the application made by a debtor for an order of adjudication even if such debtor was guilty of fraud, the words 'for any other sufficient cause' in section 15 (1) of the Act being interpreted with reference to the language of the rest of the section to apply to applications by creditors only; indeed one Judge has gone further and held that if a debtor has committed an act of insolvency (and his application is such an act), and the requirements of sections 5 and 6 are fulfilled, then the order of adjudication must follow as a matter of course.

4. The Government of India have no desire to question the correctness of this ruling, which appears to them to follow the strict interpretation of the existing law, but from the extracts from the annual Civil Justice reports, of which copies are enclosed, it is apprehended that

in a large majority of cases the Act as at present applied is set in motion by debtors, particularly petty defaulters, for improper purposes, while creditors who have little to gain, very seldom initiate proceedings. Recent criticisms of the Act also indicate that in practice the provisions of section 43 are not sufficiently stringent. The anticipation that flagrant acts of bad faith would be prevented or punished by the special penalty provided by this section has scarcely been fulfilled; for these provisions would appear to be infrequently in operation, and strengthen the general impression that while the Act has made it easier for a debtor to get an order of adjudication, it is much more difficult to deny him, when acting *mala fide*, the protection of insolvency proceedings.

5. In the light of all these opinions the Governor-General in Council considers that the need for an inquiry into the working of section 15 of the Act has been fully made out, and the opportunity may conveniently be taken to enquire generally as to the need of revision or amendment of the Act in other particulars. In this connection, I am to invite opinion with reference to the following amendments which have been suggested for the consideration of the Government of India :—

- (i) To amend sections 12 (2), 27 (1) and 42 (3) so as to give the Court discretion as to the manner of the publication of its proceedings instead of requiring publication in the local official *Gazette* in all cases. It is alleged that publication in this form is in many instances absolutely infructuous, as in ordinary *motussil* insolvency cases the creditors are not drawn from classes who ever read the *Gazette*; moreover, the expense of such advertisement is a further objection, particularly in the case of petty estates, in which a considerable portion of the insolvent's assets may be swallowed up by the cost of publication to the ultimate prejudice of the creditors.
- (ii) To amend the proviso to section 13 so as to provide for an order being made, as a matter of course, for the appointment of an *interim* receiver of the property of the debtor or of any part thereof. Under the law, as it stands at present, a debtor can practically carry his application to the stage of adjudication without any question of his bad faith arising and without any check being placed on his control over the property. In England the Court makes a preliminary receiving order prior to the adjudication, and the debtor is bound to hand over any receipts to the receiver appointed under such order for the benefit of his creditors. The question of introducing a similar procedure in India was no doubt considered and negatived when the present Act was being drafted, partly in the interests of simplicity and partly because it was taught it would be liable to abuse, but the information now available indicates that, without it, sufficient control cannot be obtained over the property of the debtor between the dates of the presentation of the petition and the passing of the adjudication order. The principle of giving the Court power over the assets from as early a stage as possible is admittedly sound in itself and it is believed that a preliminary receiving order might check the fraudulent tendency to make away with assets, especially in those districts in which there are Official Receivers. In this connection it is suggested that the provisions of section 19 (1)

for the appointment of Official Receivers should be more largely resorted to. In many districts it is understood no Official Receivers exist and in practice either a pleader or the nazir of the Court is appointed as receiver. Unless such a person has funds to pay the expenses of the necessary inquiries into the assets of insolvent debtors, and he usually has not, facilities for fraud are likely to be encouraged.

- (iii) To amend section 33 (1) (b) with reference to the suggestion contained in the enclosed copy of a letter dated the 14th December 1911, from the Upper India Chamber of Commerce, Cawnpore.
- (iv) To insert the words "*bond fide*" which appear in the marginal note of section 38, in clauses (a), (b), (c) and (d) of that section.
- (v) To amend section 43 (1) so as to make it specifically incumbent on a debtor to produce before the Court or receiver all movable property under his control.
- (vi) To amend section 52 so as to provide for the delegation to a receiver appointed under the Act of the duty of examining creditors' accounts (*vide* section 24). The present powers of delegation are regarded as of little use, since there are few, if any, Official Receivers outside the Presidency towns.

6. I am to ask that (with the permission of His Excellency the Governor in Council) a reply to this reference may, if possible, be furnished by the 15th October next. The above statement of alleged defects in the present Act is not put forward as exhaustive, and should experience have demonstrated the need of further amendments, these should, of course, be mentioned.

I have, etc.,

(Sd.) H. WHEELER,

*Secretary to the Government of India.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
Madras, 18th August 1914.

No. 256.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
North Beach Road, Madras, E.

To

The Chief Secretary to Government,  
Stonehousehill.

SIR,

I have the honour to reply to the circular letter from the Government of India, Home Department, No. 653,

dated 23rd May 1914, regarding the working of the Provincial Insolvency Act 1907, forwarded with your letter No. 1797 B-3 Jdcl. dated 1st July 1914.

2. The amendments suggested by the Government of India are acceptable. With reference to suggestion III, in para 5, of the India Government's letter, the scale of pay suggested by the Upper India Chamber of Commerce, Cawnpore, seem to us to be too liberal, considering the Indian conditions. If this scale be adopted, the whole of the Insolvent's estates may in many cases be found insufficient to meet the claims of the highly-paid servants. As the scale mentioned in Sec. 33 is too small, it may be raised to Rs. 50.

3. We would suggest the following additional amendments :—

- (i) Clause B of para 2 of Sec. 16 provides for the unconditional release of the debtor on making the order of adjudication. After unconditional release, the debtor will have no interest in helping the Court in the realization of his assets. We would add a proviso to the effect that the Court may require the debtor to deliver or cause to deliver all his property within a time to be named and if within the prescribed time he fails to satisfy the Court that he has acted in good faith and diligently in the realization of his assets the order of release to be subject to cancellation in the discretion of the Court.
- (ii) Sec. 18 does not fix the remuneration of the Receiver. As the Government of India intend to compel the appointment of Official Receiver, it is necessary that the contribution towards the remuneration of the officer, should be fixed by law. We would amend clause (6) of para 2 of Sec. 18 by adding the words "such amount shall not exceed 5 per cent. of the nett assets of the insolvent available for distribution among creditors".

- (iii) The period of three weeks allowed for appeal in the proviso to Sec. 22 is too short. It may be raised to 30 days.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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## The Madras Salt Depot.

MADRAS SALT DEPOT,  
4th July 1914.

To

The President,  
The Southern India Chamber of Commerce.

SIR,

We the Salt merchants beg. to bring to your kind notice an inconvenience which is now prevalent in the above Depot.

Hitherto we were getting wagons directly from the D. T. S., M. S. Ry. But since the power of distributing wagons to the merchants came to the Inspector, Salt Depot, we feel much difficulty even to carry out our business properly.

Therefore we will be highly grateful and exceedingly obliged if you can try to bring back the old custom.

We beg, etc.,

(Sd.) P. M. KUPPUSWAMI AIYER  
AND SIXTEEN OTHERS,

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 7th July 1914.*

No. 186.

From

Rao Bahadur P. Theagaroya Chetty, B. A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to the Board of Revenue,  
Separate Revenue,  
Chepauk, Madras.

SIR,

I have the honour to bring to your notice that a number of merchants, who deal in Salt at the Madras Salt Depot, have complained to this Chamber that their trade suffers seriously owing to the extremely unsatisfactory arrangement in regard to the supply and distribution of Railway wagons at the Depot.

2. We are given to understand that the indents for wagons are sent to the Railway authorities by your Department on behalf of the merchants and that when the wagons are received it is your Department that distributes them among the applicants. We gather that the daily indents average 30 wagons a day and that the actual supply is between 10 and 15 wagons; that in distributing the wagons received, your Department proceeds on the principle that large dealers should have a special preference; and that as a result the long-standing and steady dealers find it no longer possible to carry on their business as before, on account of their inability to fulfil their contract with their up-country customers. We are afraid that a continuance of the present unsatisfactory condition of things may result in several of the merchants of the latter class giving up their trade.

3. It is alleged that when the merchants were dealing direct with the Railway Company for wagons they were

generally in a much better position ; that at all events it was not possible then for some favoured merchants to get the larger share of the supply regularly, while the rest were more or less starved ; and that the trade instead of becoming the concern of a few as now was carried on by a larger number, who could get the required facilities from the Railway.

4. It will be of interest for you to enquire, and it will be useful at the same time for us to know how far the sale of salt at the Madras Salt Depot has been affected recently by the deficiency of Railway wagons. If, as we understand, instead of progressing, the trade has contracted and the merchants generally are finding it to their disadvantage to carry on their trade as before, I trust the Board will recognise the necessity for investigating fully into the matter at once in view to finding out the actual position of affairs.

5. If, as alleged, there is quite a disproportion between the number of wagons indented for and the number actually supplied, and that this has become a more or less permanent state of things, then I would request the Board to make a strong representation to the Railway on account of the Department ; and, I need not add, such a representation will greatly strengthen the case of the merchants which this Chamber will also put forward for their consideration. In the meantime, it will be a matter for the Board to consider whether, on account of the open disfavour which has been shown to departmental distribution of wagons, by a large majority of the merchants, this system should not be given up at once, leaving the merchants to manage with the Railway authorities direct.

6. In this connection, I may also bring to your notice that in the competition with Bombay salt, Madras salt, to my knowledge, is not making headway ; that if there were proper Railway facilities, Madras salt would reach further up-country and be able to fight Bombay salt where it is now being dumped ; and that the policy of looking to one or two big dealers to push on sales to the neglect of others is, in any case, very risky, and the

consequence may at any time be serious to the trade as a whole at the depôt.

7. In these circumstances, I have the honour to invite the attention of the Board to the several points raised and to request that immediate steps are taken to inspire confidence in the minds of the merchants and encourage them to carry on their trade as before, in their interests and in the interests of the Department as well.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

(Sd.) M. A. SUBHAN,

*Secretary.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 27th July 1914.*

No. 210.

From

Rao Bahadur P. Theagaroya Chetty, B. A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to the Board of Revenue  
(Separate Revenue),  
Chepauk, Madras.

SIR,

In continuation of my letter of the 7th July bringing to the notice of the Board of Revenue certain grievances of the Salt merchants at the Madras Salt Depôt in the matter of the supply of Railway wagons, I have the honour to enclose a tabular statement of the actual number of wagons indented for, supplied and distributed, from the 1st to the 15th instant. The figures illustrate the difficulties complained of very clearly.



2. I am to request you for an early reply to my letter of the 7th instant, pending which I have not as yet addressed the Railway authorities. The President of the Railway Board will be in Madras on the 16th and 17th proximo, and if I get your reply sufficiently early, I shall be able to include the subject in the list of subjects for representation to him.

3. I am to impress once again on the attention of the Board, the urgency of looking into the matter, as the difficulties of the merchants are becoming more and more acute every day.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

[ENCLOSURE].

Statement showing the Indent and Supply of Wagons at the Madras Salt Depot during the first 15 days (1st to 15th) of July 1914 :—

Date of month.	Daily indent.	Supplied by Railway.	Supplied to Mr. Mâyandi Chetty.	Supplied to Mr. Guruppa Chetty.	Supplied to old merchants more than 20.	Supplied to Government.
1	33	15	—	2	13	—
2	37	18	10	3	5	—
3	39	11	6	1	4	—
4	37	15	10	—	5	—
5	...	...	...	...	...	...
6	39	16	10	1	5	—
7	39	16	10	1	5	—
8	36	15	9	1	5	—
9	23	20	—	—	18	2
10	34	12	6	3	3	—
11	39	15	8	—	5	2
12	...	...	...	...	...	...
13	39	15	10	—	5	—
14	40	15	8	3	4	—
15	...	...	...	...	...	...

PROCEEDINGS OF THE BOARD OF REVENUE  
(SEPARATE REVENUE.)

D. No. 2180 Salt.

*Dated 29th July 1914.*

The Honourable Mr. N. S. Brodie, M.A., I.C.S.,  
Ag. 2nd Member, Board of Revenue, and Commissioner of Salt, Abkari and Separate Revenue.

Read letter from the President, South India Chamber of Commerce No. 186, dated 7th July, 1914.

*Resolution.*

With reference to his letter read above the President, South India Chamber of Commerce, is informed that the Board has already brought to the Railway Company's notice the deficiency in the number of wagons supplied to the Salt Merchants at the Madras Depot and that the Company have promised to do all they can to increase the supply. The new arrangement for the distribution of wagons was arrived at in consultation with the Railway Company and, though it cannot be regarded as an ideal one it was made solely in the interests of the Salt Merchants, and has resulted in some improvement (though a small one) in the average number of wagons supplied by the Railway Company. Removals of Salt from the Depot have also increased from an average of 129,108 maunds a month for the period from January to June 1913 to an average of 134,345 maunds a month for the corresponding period of this year. The President's fears for the Salt trade of the Depot are, therefore, unfounded.

(True extract)

(Sd.) J. W. GREATOREX,

31-7-14.

*Asst. Secretary.*

To

The President,

South India Chamber of Commerce.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 7th August, 1914.*

No. 235.

From

Rao Bahadur P. Theagaroya Chetty, B. A.,  
President,  
The Southern India Chamber of Commerce,  
North Beach Road,  
Madras.

To

The Commissioner  
for Salt, Abkari and Separate Revenue,  
Board of Revenue, Chepauk,  
Madras.

SIR,

I have the honour to acknowledge receipt of the Resolution of the Board of Revenue (Separate Revenue), D. No. 2180 Salt, dated 29th July 1914, with reference to my letter No. 186, dated 7th idem.

2. I am to thank you for the action taken by the Board in bringing to the Railway Company's notice the deficiency in the number of wagons supplied to the salt merchants at the Madras Salt Depot. The merchants hope that the Railway administration will carry out its promise and see its way to increase the supply.

3. The real trouble, however, would appear to arise not so much from the deficiency of wagons as from the system newly introduced of distributing the wagons supplied by the Railway, by the officials of your Department. The distribution seems to be based on no understandable principle.

4. The dealers who deal in salt at the Madras Salt Depot are over 20 in number and nearly all of them have been of long standing. Some of them are Members of this Chamber. I understand the Board has taken a cash security of Rs. 500 from each dealer to guard against any vexatious or frivolous application for wagons. While these dealers expect fair field and no favour in the carrying on of their trade, it is inexplicable why the

Department should single out a particular dealer and go out of its way to help him with all the wagons he wants, thereby handicapping the rest. I subjoin a statement showing the number of wagons indented for and supplied, and the number of wagons supplied to this individual dealer, and to the rest of the dealers collectively, during the month of July last. It will be observed that while as many as 877 wagons were applied for, less than 50 per cent. of the indented were complied with. The aggregate number of wagons supplied during the month was only 407. Of this supply, 46 wagons were reserved and given to the dealer in Vayalur salt, the balance of 360 being divided between one A. R. A. R. S. M. Mayan-dee Chetty, one of the dealers, and all the rest of the dealers, with 199 wagons for the former and 161 for the latter. The disproportion is obvious.

5. The merchants contend that this kind of distribution is unfair to them ; that if this system of preference should continue, they will be driven out of their trade very soon, and that far from the trade of salt at the depot being encouraged, by departmental activity, unhealthy competition and undesirable animosities are being aroused. With the special assistance the Board has been giving to this individual dealer, they state that he has been capturing all their old customers and if it is the wish of the Department that the trade should thus pass from their hands, they beg that the sooner they are informed of the intentions of the Board, in this respect the better it will be for them.

6. It is not easy to resist the force of these contentions, and my Committee would, in the circumstances, request you to investigate fully into the matter and to take such steps as may allay the fears of the merchants. It seems to us that the best course to adopt under the circumstances would be to leave the dealers to manage with the Railway authorities direct, as before, at the same time urging the latter to supply more wagons than they have been doing hitherto, in the interests of the trade and the Department. The Departmental distribution is bound to lend itself to abuse of some kind or other,

and the earlier it is done away with the better, for all concerned.

I have, etc.,  
(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 8th August 1914.*

No. 236.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Agent,  
Madras and Southern Mahratta Railway,  
Madras.

SIR,

I have the honour to invite your attention to the insufficiency of wagons supplied at the Madras Salt Cottars for the salt traffic, and the consequent inconvenience and loss of trade to the Salt merchants doing business in Madras.

2. It has been brought to the notice of this Chamber that while as many as 877 wagons were applied for in July last, only 406 were supplied; that on certain days the supply was so out of all proportion to the demand that practically no business could be done; and that while the average number of wagons required has been from 35 to 40, the average supply has been less than 15.

3. Another great disadvantage to the merchants is reported to consist in the present distribution of wagons received among the applicants. We understand that until recently, it was the railway that was doing it, in the order of applications and in properly arranged turns, but that the change from the Railway to the Salt Departmental Agency has resulted in inequalities and individual preferences. We are not aware of the reasons which have necessitated the change.

4. I am to request you, by the direction of my Committee, to instruct your Traffic Department to supply more wagons for the Salt traffic at Madras, and to minimise as far as possible the present difficulties. And further, I am to urge the desirability of your Traffic Department taking over immediately the distribution in its hands as was the case before, in view of the complaints now made against the Salt Department.

I have, etc.

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

(Sd.) M. A. SUBHAN,  
*Secretary.*

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PROCEEDINGS OF THE BOARD OF REVENUE  
(SEPARATE REVENUE).

D. No. 2414 Salt.

*Dated 21st August 1914.*

The Honourable Mr. N. S. Brodie, M.A., I.C.S.,

Ag. 2nd Member, Board of Revenue and Commissioner  
of Salt, Abkari and Separate Revenue.

Read letter from the President, The Southern India  
Chamber of Commerce, Madras, No. 235 dated  
7th August 1914.

*Resolution.*

The President, Southern India Chamber of Commerce, is informed that the Board is satisfied that the new system of distribution of wagons is likely to have the effect of stimulating removals of Salt from the Madras Depot and that, until the contrary is proved, the Board does not propose to revert to the old system.

(True extract)

(Sd.) J. W. GREATORREX,  
*Asst. Secretary.*  
25-8-1914.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 27th August 1914.*

No. 265.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to Government,  
(Revenue Department)  
Stonehousehill.

SIR,

I have the honour to forward for the consideration and orders of Government the memorial of the Salt Merchants carrying on business at the Madras Salt Depot.

2. The memorial speaks for itself. The prayer of the memorialists is that the distribution of wagons received from the Railway administration should no longer be carried out by the Salt Department, as this course has resulted in the usual supply being withheld from the general body of merchants in view to confer a special benefit on one individual merchant. They request that this system which is new should be abandoned and that they should be permitted to revert to the old system by which they made their indents direct to the Railway administration. It is urged that if the Board desires to show any individual preference for reasons of their own, that might be done without curtailing the usual supply, to their detriment, and by means of a special arrangement with the Railway administration for the benefit of the individual trader whom the Board desires to favour.

3. I may add I have had correspondence with the Board of Revenue on the matter, and the Board has declined to revert to the old system. I also addressed the Railway administration in view to their increasing the present supply of wagons, and the matter is receiving their attention.

4. The Chamber apprehends that the effect of the Board's action will be sooner or later to transfer the entire trade at the Madras Salt Depot from traders of long-standing and business capacity to one or two individual traders who have just come into the field in a spirit of adventure. While the bulk of the traders are openly questioning the fairness of this course adopted by the Board, my Committee desire to impress on the Government the inexpediency of sacrificing the interests of the many for the sake of an individual, however, attractive the course may be for the time being.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

[ENCLOSURE.]

To

The Secretary to Government,  
(Revenue Department),  
Ootacamund,

Thro' The Southern India Chamber of Commerce,  
Madras.

SIR,

We, the undersigned merchants trading in salt at the Madras Salt Depot, beg to bring the following facts for your consideration and orders.

2. We sent a telegraphic communication on the 10th instant and we hereby beg to confirm the same:—

“Distribution of Railway wagons by the Salt Department at Madras Salt Depot causing great inconvenience and loss to trade. Department favouring one dealer Mayandee Chetty business of other dealers seriously affected. Pray order investigation and reversion to old method distribution by Railway Company. Memorial of merchants follows through Southern India Chamber of Commerce.” Ekambara Chetty—Kuppuswami Aiyer.

3. Our trade is a long-standing one. We buy at the depot and sell to our constituents in the Districts of Chingleput, North Arcot, Chittoor, Cuddapah, Salem, Coimbatore and Bellary. The Railway is the only means of transport available to us and the trade is entirely dependent on the wagon supply of the Railway administration.

4. We have always been suffering from an inadequate supply of Railway wagons, and our trade has, in consequence, been always not as well as it might otherwise have been. While we were trying to make the best of it with the Railway administration, in May last, it was suggested to us that instead of ourselves dealing with the Railway Department for wagons, it might be more advantageous to us if the Salt



Department, in consultation with us, made out the daily indents and distributed the wagons received among the applicants. We assented to the course, thinking it will mitigate our wagon difficulties.

5. This system of supplying wagons through the Agency of the Salt Department has been in force from the 18th May last. Presumably to ensure that applications for wagons were always properly made by us, the Department ordered a cash security of Rs. 500 from each of us. This requirement, by the way, was an innovation and the Railway administration never at any time insisted on it. The Department has not even acknowledged the receipt of the amount from us. With the introduction of this new system of distribution by departmental agency, and with the safeguard of a cash deposit from each dealer, we anticipated that trade as a whole at the Depot would improve, and with the increased and improved railway facilities, each of us would be able to do larger business to the advantage of ourselves and the Department.

6. We very much regret to have to submit that far from any improvement in our position we have fared worse. The departmental distribution has been only to our detriment. If we had known that this was going to be the result of the new arrangement, we would not have assented to the change.

7. It will be seen that for the purpose of distribution of wagons, the Department has classified all dealers into three groups. The first group consists of one individual dealer A.R.A.R.S.M. Mayandy Chetty. His daily requirements are carefully ascertained, and all the wagons he wants are at once supplied, whatever be the supply from the Railway. So is also the case of the dealers in Vayaloor salt, who are two in number. Their requirements are equally readily met, but with this difference that their indents are occasional only. All the rest of the dealers, who are about 20 in number, who have affixed their signatures to this memorial, come in the third group. Our indents average 15 wagons a day, and our daily supplies do not exceed five wagons. With this extremely short supply and that at irregular intervals, we find it extremely difficult to carry on our trade. We have lost our old customers. We have lost our old contracts. Our position is one of daily waiting and daily disappointments. We are kept in suspense till the last moment and then told we have no wagons. Some of us do not get our turns for days together, and the uncertainty unsettles our business even more than the want of supply.

8. To add to our misery, we find that this favoured dealer of the Department is capturing our oldest customers, and we lose not only our business but also our reputation. If he should receive the exceptional help he is now receiving to the prejudice of our interests, we are sure that in a very short time he will entirely drive us away from the field. It will be for the Government to see how far the replacement of a group of old dealers who have helped the Department for a long number of years, by an individual dealer who entered the field of competition with us in April last, is reasonable or even expedient in the interests of the Department.

9. We are not aware of the terms of the departmental contract with the said A.R.A.R.S.M. Mayandy Chetty. If, as one may presume, he has undertaken to do any exceptional work by way of special sales or the sale of special qualities of salt or under any special conditions and circumstances, then we most respectfully beg to submit that special arrangements may be made by the Department with the Railway administration to obtain a special wagon service for him. Far from doing this, what

the Department is now doing is to deprive us of the usual supply and help him at our expense. We have done nothing to merit this treatment at the hands of the Department.

10. We, therefore, humbly pray that Government may be pleased to order an investigation at once into the present state of affairs at the Depot. We have no doubt that as a result of this investigation, Government will be pleased to order that the departmental system of distribution of wagons be done away with at once or that suitable arrangements be made to meet the requirements of the individual dealer above-named without diminishing to any extent the usual supply to ourselves.

We beg, etc.,

(Sd.) P. M. KUPPUSWAMI AIYER

AND OTHERS.

*Statement showing the number of wagons indented for, received and distributed in the Madras Salt Depot during the month of July 1914:—*

Date of month.	No. of wagons indented.	No. of wagons received.	No. of wagons given to Ma-yandy Chetty.	No. given to all other merchants.	No. given to Vayalur Salt.
1	33	15	—	13	2
2	37	18	10	5	3
3	39	11	6	4	1
4	37	15	10	5	—
6	39	16	10	5	1
7	39	16	10	5	1
8	36	15	9	5	1
9	23	20	—	18	2
10	34	12	6	3	3
11	39	15	8	5	2
12	7	7	—	—	7
13	33	15	10	5	—
14	40	15	8	4	3
16	34	16	10	5	1
17	34	15	6	9	—
18	28	15	6	9	—
19	7	7	—	—	7
20	28	15	10	5	—
21	31	15	6	9	—
22	30	15	6	9	—
23	29	15	8	7	—
24	35	16	10	5	1
25	1	1	...	—	1
27	35	16	10	6	—
28	42	20	10	5	5
29	38	18	10	5	3
30	33	15	10	5	—
31	36	17	10	5	2
	877	406	199	161	46

M. & S. M. RY., Co., LD.  
(INCORPORATED IN ENGLAND).

AGENT'S OFFICE,  
*Madras, N. E., 3/6 October 1914.*

No. 2234/1211

T

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

Referring to your letter No. 236 dated 8th August 1914 I have the honour to state that the number of wagons allotted daily to the Salt Department is made according to the number of wagons available at Salt Cotauro and the Salt Merchants have always had a very fair proportion of wagons allotted to them compared with merchants up-country. Everything possible is done to meet demands, but in times of pressure it is not always possible to meet demands in full.

2. Referring to para. 3 of your letter the distribution of wagons has been handed over by the Railway to the Salt Department as the Officers of that Department are in a much better position to know the requirements of merchants and how many wagons it is possible to load daily. The Salt Department can only load a certain number of wagons a day and this number depends on the situation of the salt heaps from which loading has to be done.

3. At present we are in a position to give from 26 to 30 wagons daily as traffic is slack, but the Salt Merchants are not taking advantage of this.

I have, etc.,  
(Sd.) ———

for *Ag. Agent.*

Copy communicated to Mr. Ekambara Chettiar and others for information.

GOVERNMENT OF MADRAS.  
SEPARATE REVENUE DEPARTMENT.

G. O. No. 3506 Mis., dated 2nd December 1914.  
Read the following papers :—

Telegram from the Salt Merchants of the Madras  
Salt Depot dated 10th August 1914.

From the President, the Southern India Chamber  
of Commerce, Madras, No. 265,  
dated 27th August 1914.

*Order :—*

With reference to their Memorial dated 18th August 1914 the Salt Merchants transacting business at the Madras Salt Depot are informed that the Government have caused enquiries to be made into the subject matter of their complaint and that it does not appear to them that the Memorialists have been prejudiced by the system of distribution of wagons by the Salt Department. The Government have ascertained that the wagons supplied are in proportion to the Salt demand of the merchants.

(True extract)

A. BUTTERWORTH,  
*Chief Secretary.*

To the Memorialists through the President,  
Southern India Chamber of Commerce.

Forwarded to the President,  
Southern India Chamber of Commerce.

(By order)

(Sd.) V. SEKHARA MENON,  
3-12-14  
*Registrar.*

(True copy forwarded to the Memorialists)

(Sd.) C. DURAISWAMI AIYANGAR,  
*Asst. Secretary,*

The Southern India Chamber of Commerce.

Madras,  
8th December 1914. }

## Proposed Money Lenders' Act.

GOVERNMENT OF MADRAS,  
JUDICIAL DEPARTMENT.

*Dated Ootacamund, the 27th July 1914.*

No. 2151-B-2

From

The Hon'ble Mr. A Butterworth, I. C. S.,  
Ag. Chief Secretary to the Government of  
Madras.

To

The Chairman,  
South Indian Chamber of Commerce.

SIR,

I am directed to forward the enclosed letter from the Government of India, Home Department, No. 1052-1063, dated the 6th July 1914 regarding the feasibility of preventing the use of the Civil Courts as an agency for the realization of the usurious demands of money-lenders and to request that the Government may be favoured with the views of your Chamber. I am to request that the reply to this letter may be sent so as to reach the Government not later than the 1st September 1914.

I have, etc.,  
(Sd.) T. J. TASKER,  
for *Chief Secretary*.

R. O. C. No. 869 of 1914.

CAMP MADRAS,  
*Dated 11th August, 1914.*

From

D. W. G. Cowie, Esq., I. C. S.,  
Collector of Madras.

To

The Secretary,  
South Indian Chamber of Commerce, Madras.

SIR,

I have the honour to forward copy of a reference received from the Government of India regarding the

feasibility of preventing the use of the Civil Court as an agency for the realisation of the usurious demands of money lenders and to request you to be good enough to favour me with your views on the subject by the 17th instant at the latest. The time I specify is short but the reference from the Government of India is of an urgent nature.

I have, etc.,  
(Sd.) S. M. V. OOSMAN,  
for Collector.

[ENCLOSURE.]

No. 1052-1063.

*Dated Simla, the 6th July 1914.*

From

The Hon'ble Mr. W. H. Wheeler, C.S.I., C.I.E., I.C.S.,  
Secretary to the Government of India,  
Home Department (Judicial).

To

The Chief Secretary to the Government of Madras.

SIR,

I am directed to request an expression of the opinion of the Local Government after such consultation with representative officials and non-officials as may be considered necessary, upon the feasibility of preventing the use of the Civil Courts as an agency for the realisation of the usurious demands of money-lenders.

2. The subject is one about which much has already been written and said, while in the columns of the press it is constantly referred to in one form and another, the latest public discussion having been in the Legislative Council of the United Provinces on a motion of the Hon'ble Khwaja Ghulam-us-Saqlain to introduce a Bill to amend and improve the local law relating to interest. This motion was lost. The early history of relevant legislation, terminating in Act XXVIII of 1855 which abolished the restrictions on the rate of interest that were previously in force, is probably fairly well known, and is to be found in various text books; but for convenience the more important of the recent examinations of the question are noticed below.

The check of usury was one of the important matters referred in 1891 to the Deccan Agriculturists Relief Act Commission (*vide* paragraphs 36 and 37 of the Home Department Resolution No. 17, Judicial—1497-1502, dated the 10th November 1891), and the suggestion was then put forward that if unfairness or inequality between the parties to a bargain was established, or appeared probable, it should be part of the general law that the Courts might go behind the contract and re-open its past history with a view to putting the party which had the advantage to the proof of the fairness of the transaction. Upon the basis of the Commission's report, which recommended various changes in the law, all local Governments and Administrations were consulted in Home Department Circular

No. 05-607-615, dated the 4th June 1894, on two points, which were summarised as follows :—

- (i) To amend the law regarding usury so as to make it clear by a specific enactment to this effect that the Courts, before awarding stipulated interest, shall be bound to inquire as to coercion, undue influence, fraud, or misrepresentation, wherever there is a reasonable suspicion of any of these; and to provide in the Contract Act that the taking of an undue advantage of a debtor's simplicity or necessities shall, equally with the above causes, render an agreement voidable.
- (ii) By additions to the Evidence Act, to enable the Court to require independent evidence of a transaction if it disbelieves or doubts the recorded consideration, and likewise to require proof of *bona fides* from the party who contracted when in a position of decided advantage.

Except for opposition from Madras, there was a general consensus of opinion that some change of the law was required, though views differed as to its form, and in the event the Indian Contract Act Amendment Act, 1899 (Act VI of 1899), was passed indicating the circumstances in which a contract may be said to be induced by "undue influence" and conferring power to set aside a contract so obtained.

Experience has, however, shown that this amendment of the law has not proved sufficient to check the evil, and attention is invited to the cases referred to by the Hon'ble Khwaja Ghulam-us-Saghai in the Budget debate of 1913-14, in the Legislative Council of the United Provinces.

3. A second line of correspondence was also developed as the result of the enquiries of the Deccan Agriculturists Relief Act Commission, when the Government of India (*vide* the Home Department Circular of the 31st October 1895) circulated a draft Bill for the protection generally of agriculturists, which, incidentally, touched upon the matter of usury. The measure conferred power on the courts to investigate the history of a transaction even when it was admitted by the debtor; to make enquiry as to the existence of fraud, mistake, accident or undue influence; to open an account between the parties in respect of a transaction and to disallow the accumulation of interest or the payment of anything beyond simple interest. The Bill met with a mixed reception; it was adversely criticised by the local Governments of Madras, Bengal and the Punjab, though accepted in the North-West Provinces, Burma and the Central Provinces, and in view of the opposition encountered the Government of India decided finally to drop it.

4. About this same time another measure was equally unsuccessful, namely, a Bill introduced in the Imperial Legislative Council by the Hon'ble Mr. Mohini Mohan Roy which would have debarred a Court, in any suit for a simple money or mortgage debt, from awarding interest exceeding in amount the original principal, or where there had been payment in reduction of the principal, exceeding in amount the reduced principal. The opinions received were generally unfavourable, and as the Hon'ble Mover ceased to be a Member of Council the proposal was not proceeded with.

5. There has been no general reference on the subject since 1895, though it has been examined on various isolated proposals. ( )

( ) To Bombay only. ( ) , and in Bombay the report of the Deccan Agriculturists Relief Act Commission, 1912, contains much that has an important bearing upon

the remarks below). The Governor-General in Council is of opinion, therefore, that the time is now ripe for the reconsideration of an admitted evil in the hope, if possible, of discovering a remedy. That the evil is at present scarcely requires elaboration, and instances in which the Courts at present give decrees for sums most exorbitantly in excess of the original principal advanced are constantly being brought to notice. In fact, although, as shown above, the previous discussions have resulted in little more than the amendment of the Contract Act in 1899 and have revealed much divergence of views, there has been little challenge of the existence of a state of affairs which it would be advantageous to terminate. The difficulty has been in finding a solution of the problem, and in again re-opening the subject the Government of India trust that the correspondence will be kept on practical lines. The theoretical economic arguments on the subject of usury are already on record, and the present reference is not intended to result in the mere repetition of them. The important issues are, firstly, whether the Courts are, as a matter of fact, at present compelled to give effect to unconscionable contracts, and to enforce the payment of inequitable and extortionate demands; secondly, whether, if the answer is in the affirmative, this abuse of the authority of the Courts has attained such dimensions that it is expedient to take steps to remedy it; and, thirdly, in what manner it can be prevented without engendering consequences more prejudicial to the interest of those concerned than exist at present.

6. The main remedies usually suggested for the suppression of usury are perhaps the following :—

- (a) The fixing of a legal maximum *rate* of interest recoverable.
- (b) The determination of a legal maximum *amount* of interest recoverable (commonly known in India as the rule of *damdapat*).
- (c) The bestowal of authority on the Courts to go behind a contract, re-open a transaction, and reduce the rate of interest to what is thought to be equitable.

The first of these solutions has the authority of various foreign precedents and of certain special local laws in this country, but the Government of India are willing to accept the adverse opinion of the Select Committee of the Houses of Parliament on money-lending, which reported in 1898 as follows :—

“ Your Committee consider that a high rate of interest is not in itself incompatible with fair dealing, and that no limit of interest can be prescribed which would be adopted to the widely different conditions under which these loans are contracted, and further, that if a maximum rate were fixed by statute, the interest would tend in all cases to rise to that maximum.

“ Moreover, the transactions into which your Committee have inquired show that the greatest possible ingenuity would probably be exercised in circumventing any rules, and they cannot but consider that any hard and fast rule for this nature would be evaded.

“ For instance, it appears that in the United States, although there is in certain States a usury law of modern enactment limiting interest to 6 per cent., the actual rate of interest, even on mortgages in such States, has recently averaged between 7 and 8 per cent., the rates in many cases being far higher.



"For these and other reasons your Committee do not recommend any statutory limitation of interest."

The extract sums up the patent objections to this form of remedy, and the Government of India do not endorse it.

7. The rule of *damdapat* has the advantage of being already in force in parts of the country, *e.g.*, as between Hindus in the Presidency town of Calcutta, in Berar and Bombay, and in certain Native States, and it has the authority of the early Hindu lawgivers; but in speaking of the rule it is important to define what is in mind. To be fully efficacious the rule should restrict the total sum recoverable altogether as interest to the amount of the principal, but as interpreted by the Courts this limit is only applicable to the amount recoverable at the time the suit is brought without allowance for previous sums thus paid. At best, however, the rule is a rough and ready remedy, perhaps more suited to the simpler times in which it originated than to the more complicated stage now reached when more carefully constructed laws are called for. In the case of *Ram Connoy Audicarry versus Johur Lal Dutt* (I. L. R. V., Calcutta, 867) Mr. Justice Wilson speaks of this law of *damdapat* as a rule of limitation, but the limitation is one which only affects accumulation of interest, and when the suit is delayed until the interest at the stipulated rate exceeds the principal, this rule also indirectly controls the rate of interest. It is possible that the rule would not in many cases work equitably, and one result of it is that it forces creditors to sue for their money in some cases earlier than they would have done in other circumstances. Such merits as the rule possesses are simplicity and automatic action, and, it is in consonance with Hindu feeling. While not insistent upon it has the appropriate course to be generally adopted, the Government of India would be glad to be specially informed as to its actual working, where it is in force, and particularly how far it is successful as a protection to honest debtors, and how far it is evaded or otherwise falls of its object.

8. The third line of action is that which has been embodied in the English Money-lenders Act of 1900, and it was defined by the Parliamentary Select Committee, to which reference has already been made, as follows:—

"That the Courts should have power to go behind any contract with a money-lender, to enquire into all the circumstances at the original loan and of the subsequent transactions, and to make such order as may be considered reasonable."

Their remarks regarding it are quoted below:—

"The second proposal is supported by several legal witnesses, including

\* \* \* \* \*

"It also appears \* \* \* that a large number of the Indian judges and high officials in India, who have recently been consulted by the Indian Government on the subject of usury, are in favour of giving discretion to the Courts rather than of laying down any hard and fast rule, and the Council of the Incorporated Law Society have made a similar recommendation.

"Mr. Justice Mathew was, however, of opinion that such a proposal would lead to a great variety of judgments, and that it would be preferable to limit the rate of interest on these transactions to 10 per cent.

"Your Committee have, of course, attached great weight to the opinion of so eminent a Judge, but having regard to the results which have followed from the exercise of the equitable jurisdiction of the Chancery Division of the High Court, they do not think that in practice there would be such divergence of opinion as to constitute any serious objection to the adoption of this proposal.

"After carefully considering the whole of the evidence and opinions, your Committee have arrived at the conclusion that the only effective remedy for the evils attendant upon the system of money-lending by professional money-lenders is to give the Courts absolute and unfettered discretion in dealing with these transactions.

"They therefore recommended that all transactions, by whatever name they may be called, or whatever their form may be, which are, in substance, transactions with persons carrying on the business of a money-lender, in the course of such business, should be open to complete judicial review."

As at present advised, the Government of India are disposed to think that legislation on the lines of the English Act offers the best chances of success. From any definition of "money-lenders," banks, co-operative credit societies and provident societies, etc., would, of course, be excepted, but the essential feature would be that the Courts should be authorised in suits for the recovery of money by money-lenders, when, in their opinion, such a course was necessary, to re-open the contract between the parties and reduce the amount of interest if it appeared to be extortionate or unconscionable in the circumstances of the case. It is possible that supplementary provisions might be required rendering it obligatory upon all money-lenders to keep written accounts of their transactions and also to give counterfoil receipts for all moneys repaid.

The stock arguments usually advanced against any such plan are, firstly, that it would interfere with private contract; secondly, that it would increase litigation; thirdly, that it would leave too much to the personal opinion of the judge; fourthly, that it would harass and confuse the ordinary operations of trade; fifthly, that it would tend to raise the rate of interest paid by those who do not resort to the Courts; and sixthly, that it would be ineffective. On the other hand, it is to be remembered that opinions as to the sanctity of contracts have altered appreciably since last century, and instances of statutory restrictions on the freedom to contract are not uncommon. With reference to the second and third objections there is the probability that in a short time the reasonable rates of interest in certain conditions would be defined by rulings and practice, and become well known to all; moreover, in certain circumstances, where no rate of interest is agreed upon, the Courts do at present ascertain and award reasonable interest on money decreed. Undue stress may easily be laid upon the fourth and fifth results apprehended, which do not in themselves seem certain to ensue, and while it is known that attempts to evade any usury law will be made, the question is rather whether a certain amount of good will not be effected, which at least would make it worth while, failing any preferable alternative, to attempt this remedy. Doubtless the cases of debts which come into Courts are merely a fraction of the total monetary transactions entered upon, but no creditor is certain that a particular loan may not form the subject of a suit, and the pressure of any legal change might be expected in time to exercise a controlling influence.

9. The Government of India are pledged to no particular method of approaching the problem, and reserve an open mind in respect of any criticisms that may be offered. Their desire is to evolve a practicable scheme by which the Courts can be saved from all necessity of helping the usurer and the extortionate to fleece and ruin the simple and the imprudent. It is not possible to devise any scheme to which some objections cannot be taken; but when the evil to be overcome is one of such magnitude, the aim should be directed towards evolving a remedy, the objections taken to which are at any rate less weighty than the abuses which it is sought to combat. The Government of India have further no wish to argue that everything is the fault of the money-lender, and that the debtor is always a blameless and injured innocent. This is notoriously not true, but the Courts, if vested with a wide equitable discretion, can be trusted to discriminate between the honest and unscrupulous, whether they be creditors or debtors. Finally, the Governor-General in Council would only remark that, while he fully recognises the benefits which have resulted from the extension of co-operative credit and the potentialities for good inherent therein, he does not consider that the progress made in this direction affords in itself an adequate remedy of the state of affairs which it is now desired to alter. Co-operative credit is no doubt a most valuable ally in attacking the problem of indebtedness, but if it can be supplemented in other ways, there is little reason to neglect these latter.

10. It would suit the convenience of the Government of India if your reply could reach them not later than the 1st November 1914.

I have, etc.,

(Sd.) H. WHEELER,

*Secretary to the Government of India.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 31st August 1914.*

No. 267.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

North Beach Road, Madras.

To

The Chief Secretary to Government,

Stonehousehill.

SIR,

I have the honour to communicate to you the views of my Committee on the subject of the feasibility of preventing the use of the Civil Courts as an agency for the realisation of the usurious demands of money-lenders,

with reference to your letter No. 2151-B-2 dated 27th July 1914, Judicial.

2. My Committee is of opinion that legislation is needed on the lines of the English Money-Lenders' Act of 1900, to enable the Courts to re-open a contract between the parties, and reduce the amount of interest, whenever it appeared to the Courts that the demands made on the debtors were either extortionate or unconscionable. Certain safeguards are suggested at the same time. In the first place, it is urged that this law should not touch the honest class of money-lenders. It is observed that not only the Banks, Co-operative Credit Societies and Provident Societies etc., should be exempted from the operation of such a legislation, but also the very large class of respectable money-lenders whose operations are extensive and to whom no suspicion of extortionate or unconscionable transactions can attach. It has been argued that the real evil exists only among the class of petty money-lenders at all events in this City who lend out at usurious rates to small wage-earners and low-paid employees in private and public offices. While it is admitted that the needy borrower, especially of the petty order, will more often be a willing victim in the hands of the unscrupulous money-lender, and that legislation by itself may not absolutely save him, it is hoped that the existing evils, which are admitted on all hands to be really very serious, may be somewhat minimised by taking certain necessary precautions. The provision in the English Money Lenders' Act for the registration of money-lenders is considered desirable, with the liability for removal from the register and cancellation of license, in case of proved misbehaviour. The subsidiary provisions for keeping written accounts of all transactions, the obligation to grant counterfoil receipts, the facilities for debtor to obtain copies of accounts and documents and the like are also considered desirable. It is presumed, however, that the respectable class of money-lenders will be freely exempted from these and other obligations. It has been further suggested that Judges of certain standing only should be authorised, if necessary, to exercise the power of re-opening contracts

as above suggested, and that it is also a matter for consideration whether the amount of debt for which a contract may be re-opened should not be limited also. It may be added that the fixing of a maximum or a minimum rate of interest does not find favour.

3. Perhaps, in view of the importance of the subject, and the weight of the opinion expressed on the other side, though in the minority in the Committee, I may usefully state what has been said in opposition to the views above mentioned.

4. The object of the proposed legislation on usury is to help the borrower against the high demands of the money-lender. No legislation will succeed in accomplishing this object; but, on the contrary, it will create fresh difficulties in the way of obtaining loans. A debtor who secures a decree reducing the amount payable by him under his own contract, will find it almost impossible to raise any further loan in his neighbourhood. As the law now stands, the Courts possess the power of enquiring into the plea of failure of consideration, whole or partial, and giving effect to it if proved; they may refuse to award future interest from the date of the suit, and order payment of debt by any number of instalments. These powers are freely exercised by Courts, whenever they find that the money-lender has not acted fairly. Most of the debtors are hopelessly poor, living from hand to mouth. In a majority of cases, they have no surplus of income to meet extraordinary demands, such as marriages, funerals, etc., and cannot get on without often seeking the help of the money-lender. Persons in such circumstances cannot dare incur the displeasure of the money-lender, for a debtor who fails to keep his contract with one creditor will be shunned by other money-lenders in his neighbourhood. Even a debtor who obtains a decree from a Court granting him the required relief, will often think it prudent to compromise with the judgment-creditor by agreeing to pay him more than what may be due under the strict terms of the decree. There are cases of decreed debts, not carrying future interest, being modified by fresh contract promising to

pay such interest. The interference of Courts with the even course of contracts, is more effective in disturbing the good feelings between the creditor and debtor than in securing any lasting benefit to the debtor.

5. The wisdom of empowering all Judges in the country to go behind the contract and award such amount as they may consider right, is open to serious doubts. Judges are of different temperaments and character. There will be no uniformity in the principles they may apply to cases submitted for their adjudication. The respect for law will diminish in proportion to inconsistent rulings. None can be certain as to what view may be taken by any particular Judge. It is said that the Deccan Agriculturists Relief Act (Bombay), which empowers Courts to go behind the contracts has not proved beneficial to the debtors. The Commission appointed to enquire into the operation of the Act and its results, seem to have reported that it has not proved successful.

6. It is no doubt true that many a borrower is not able to exercise a free will in entering into a contract with his lender. This inability is the result of his illiteracy and absolute ignorance of technical knowledge which would enable him to earn more than he does under the present conditions. The spread of elementary and technical education, a more effective system of co-operative credit than the existing one and the opening of new industrial concerns are the only means by which the class to which the large majority of debtors belong, can be substantially improved and enabled to dictate their own terms to the money-lenders.

7. I have endeavoured to place before you the two sets of opinions that have been offered, though opinion in favour of legislation has found favour with the majority.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

President.

(Sd.) M. A. SUBHAN,

Secretary.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 31st August 1914.*

No. 268.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Collector of Madras,  
Madras.

SIR,

I have the honour to enclose a copy of my letter to the Chief Secretary to Government of Madras containing the views of my Chamber regarding the feasibility of preventing the use of the Civil Court as an agency for the realisation of the usurious demands of money lenders.

I regret my inability to reply to your reference No. 869, dated 11th August 1914, on the subject.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

(Sd.) M. A. SUBHAN,  
*Secretary.*

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### Settigunta Railway Station.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 18th August 1914.*

No. 255.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
North Beach Road, Madras, E.

To The Agent,

M. & S. M. Ry. Co., Ltd.,  
Royapuram.

SIR,

I have the honour to enclose copy of the memorial

that the Delhi-Express No. 45 be stopped at Settigunta for at least 2 minutes.

I am to request that the memorial may have your sympathetic consideration.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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[ENCLOSURE]

*Settigunta, 29th July 1914.*

To

The President,

The Southern India Chamber of Commerce,

Madras.

SIR,

We the merchants of Settigunta and 14 hamlets beg to state as follows :—

1. That Settigunta is a Railway Station on the N.-W. line of the Madras and Southern Mahratta Railway Company, Ltd., and it is 103 miles distant from Madras. It has 14 hamlets with a total population of about 5,000 souls.

2. That it is much frequented by European gentlemen for shikar of both small and big games and it was also visited some years ago by one of the Governors of Madras. The village and the forests surrounding it are noted for the export of large quantities of firewood and redwood.

3. That it is a pity that at such an important place, the Mail trains are not stopped, and the inconvenience thereby caused to merchants was however lately minimised by stopping the Up and Down Delhi Expresses here.

4. That the tapals intended for Settigunta were hitherto being received by these two Delhi Expresses, and the replies to the letters received by the Delhi Express No. 4 at noon, were made and despatched in the same evening by the Delhi Express No. 45.

5. But in the present arrangements, letters destined to Settigunta are unnecessarily delayed either at Renigunta or at Kodur till the next day, i.e., until the arrival of the Delhi Express No. 4 and the replies whereof are now being made and despatched the next day by Delhi Express No. 4 as this is the only train that brings tapals to Settigunta and also carries the same posted here.

6. That the passengers leaving Madras, Nellore, Venkatagiri, Tirupathi and other places by the afternoon trains were hitherto reaching Settigunta on the same evening by the Delhi Express No. 45 ;



but now they are detained at Renigunta one day and night *i.e.*, until the arrival of the passenger train No. 37 the next day at 2 p. m.

7. That the merchants of Kodur, Urampadu, and Rajampet, &c., were arriving at Settigunta by No. 32 morning train and returning by No. 45 Delhi Express in the evening, after their full day's work ; but now, they will have to wait at Settigunta till the next noon, as there is no sufficient time for the performance of their business.

8. That though the trains No. 37 Cuddappah Passenger, No. 32 Nandalur Passenger, Light Passenger No. 23 and Delhi Express No. 4 stop at present at Settigunta, "tapals" are received and despatched only by the Delhi Express No. 4, and the replies are unnecessarily delayed, to be taken by the same train the next day.

9. That while so, the Petitioners extremely regret that the Railway authorities have issued orders not to stop the Delhi Express No. 45 at Settigunta from 1st March 1914 and merchants at the above places in general and those at Settigunta in particular are put to considerable hardship and inconvenience in regard to passenger traffic and postal facilities.

10. That in consonance with the object of the Railway Service to remedy the hardships borne by business men, public servants and ryots, the Railway authorities should be requested to arrange to stop the Delhi Express No. 45 at Settigunta for at least 2 minutes as was done before, especially when the existing circumstances could allow it and no disadvantage could in any aspect accrue thereby.

11. That the request of the merchants of Settigunta if complied with, would be consistent with the passenger traffic by the same train at Settigunta. It may not be out of place to mention here in this connection that Delhi Express No. 45 stops at Villiwakkum which is 6 miles distant from Madras, where the income earned by the Railway Company cannot be, in the opinion of the Petitioners, so much as at Settigunta.

12. That the Railway authorities may be asked to spare 2 minutes for stopping Delhi Express No. 45 at Settigunta, out of 8 minutes now spent at Kodur for watering the engine as five minutes are, in the opinion of the Petitioners, quite sufficient for the same.

13. That if it is feasible, the Railway authorities may be asked to start No. 45 Delhi Express a little earlier from Madras as they have already changed the departure time of the same train from 3 p. m. to 2 p. m.

14. That the Petitioners are given to understand that the train in question is made to stop at Arkonam for a considerable length of time in waiting for the Bangalore Passenger train, and also much larger time is allowed for the run between Matmaree and Raichur, to make up the time lost on the line, though a few minutes are adequate enough for the run. (Please *vide* the Ry. Guide).

15. Under these circumstances the Petitioners shall feel extremely thankful if the Chamber would be pleased, in the interests of the public, to take proper steps to mitigate the hardships of the villagers of Settigunta by urging the Railway authorities to stop Delhi Express No. 45 at Settigunta for at least 2 minutes to suit all conveniences.

16. That by so doing, the Railway Company may rest assured that an additional income can be earned in the matter of passenger traffic; and the Chamber will ever be remembered in these parts, if the Chamber insists upon the Railway authorities to do the needful in the matter.

We beg, etc.,

(Signed by 42 merchants).

(True Copy)

(Sd.) C. DURAISWAMI AIYANGAR,

*Asst. Secretary,*

*The Southern India Chamber of Commerce,*

*Madras.*

---

M. & S. M. RY. CO., LD.

(Incorporated in England)

AGENT'S OFFICE,

*Madras, N. E. 26/29 August 1914.*

No. 2234/1050-T.

To

The President,

The Southern India Chamber of Commerce,

Madras.

SIR,

With reference to your letter No. 255 dated the 16th inst. forwarding copy of a Memorial of the Merchants of Settigunta, &c., requesting that No. 45 Express Train be stopped at Settigunta, I have the honour to express my regret that it cannot be arranged to stop this train at that station.

The Memorialists previously asked, in the event of their request to stop No. 45 Express at Settigunta not being complied with, that the running of Nos. 23 and 90 Passenger trains should be extended from Renigunta to Cuddappah, and this has been done.

I have, etc.,

(Sd.) C. L. MAGNIAC,

*Capt., R.E.,*

*As. Agent*

(True copy.)

Forwarded to Mr. Mahomed Hussain Sahib and other Merchants of Settigunta for information.

(Sd.) C. DURAISWAMI AIYANGAR,  
*Asst. Secretary,*  
*The Southern India Chamber of*  
*Commerce, Madras.*

MADRAS,  
31st August 1914.]

—: o :—

## Tanneries in Bangalore.

BANGALORE,  
22nd July 1914.

The Secretary,  
South Indian Chamber of Commerce,  
Madras.

DEAR SIR,

We are sending you herewith a copy of the notice (not printed) served on the tanners in Bangalore District who reside mostly within the limits of the Civil and Military Station, by the Government of Mysore, and also a copy of the representations which the tanners as a body have addressed to the Director of Industries in Mysore. We beg to point out to you that the industry is being threatened with serious danger and we shall therefore request you to kindly place both the notice and our representations before the Chamber and request the Chamber to send in a protest to the Mysore Government through the Honourable British Resident on the lines and representations we have made to Government.

Thanking you in anticipation,

We beg, etc.,

(Sd.) N. S. THIRUVENKATA CHARIAR,

AND 23 OTHERS.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 5th October 1914.*

No. 292.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,  
The Southern India Chamber of Commerce,  
North Beach Road, Madras, E.

To

The Secretary to the Government of Mysore,  
(Education, Agriculture, Commerce and Industries),  
Bangalore.

SIR,

I have the honour to address you on the subject of the bye-laws for the improvement of tanneries in Mysore, framed under Section 31-A of the Local Boards Regulation of 1902 as amended by Regulation X of 1911, and promulgated recently. A copy of these bye-laws, and a copy of the representation of the tanners in the Civil and Military Station of Bangalore addressed to the Director of Industries in Mysore, were forwarded to this Chamber with a memorial of the tanners, for consideration and suitable representation to the Mysore Government. These papers have now received the careful consideration of this Chamber, and I am directed by my Committee to place the following facts before you for the orders of your Government.

2. The Memorialists seem to apprehend serious danger from the annual renewal of licences. The object of the renewal is obviously to bring the sanitation of the tanneries under control, but the reason of the fear entertained is that licenses may be cancelled on the report of the petty subordinates of Government, who may not always be very scrupulous in the discharge of their duty. My Chamber is, therefore, of the opinion that though annual licenses may be insisted on, in the interests of

sanitation, the issue and cancellation of such licenses should only be made to depend on the report of superior and responsible officers of Government, after personally satisfying themselves in each case.

3. As regards the conditions imposed on the tanners in virtue of their obligation to take out these licenses, my Chamber wishes to point out that the rules contemplated are quite ideal and, while in every way desirable in the interests of sanitation, they are not such as could be practically carried into effect without great hardship to the tanners themselves and would, if enforced strictly, be highly detrimental to the interests of the trade in Bangalore. It should also be remembered that most of these tanneries are not owned by the tanners themselves but are held by them on a small rental, and as such, they would be incapable of carrying out costly improvements by themselves; while in the majority of cases the tanneries themselves may not be worth more than Rs. 1,000 or Rs. 2,000 each.

4. In these circumstances, my Chamber, while fully sympathising with the objects of Government in drawing up the rules, would recommend their adoption only gradually, the improvements being spread over a number of years, and not by a strict enforcement of the same at the very start. These may be attempted in particular directions each year, suited to the respective buildings and within the means and resources of respective owners. It should thus be possible, in the course of a few years, to secure the ideal aimed at by the Rules, without at the same time causing much hardship to the owners of the tanneries concerned and without much friction or derangement of trade.

5. I may also point out that the British Government do not enforce any stringent regulations in respect of tanneries situated in British India, such as those in the suburbs of Madras City, Dindigul, Trichinopoly, Coimbatore, Tirupathur, Vaniyambadi, Ambur, Gudiyattam, Pernambett, Bezwada, Ranipett, etc., where large

tanning operations take place. In some of these places, the tanneries are situated within Municipal limits.

I have, etc.,  
(Sd.) P. THEAGAROYA CHETTY,  
*President.*

True copy forwarded to M. R. Ry. N. S. Thiruvankata Chariar Avl., M.A., and others for information.

(Sd.) C. DURAISWAMI AIYENGAR,  
*Asst. Secretary,*  
*The Southern India Chamber of*  
*Commerce, Madras.*

5th October 1914.

—:o:—

## Revision of Holidays.

*Dated 4th July 1914.*

Order—No. 774, Public.

In G. O. No. 53, Public, dated 12th January 1914, the Governor in Council appointed a Committee representative of all interests to examine and if necessary submit recommendations for the revision of the lists of statutory and non-statutory holidays. His Excellency in Council has given his careful consideration to the recommendations made by the Committee in their report read above and accepts them subject to the modifications specified below :—

- (i) CHRISTMAS HOLIDAYS.—The Christmas holidays will begin, as at present, on the 24th December (or on the 23rd if the 24th is a Sunday) and will extend upto and inclusive of the 2nd January, the latter day being added as a general non-statutory holiday to the holidays usually granted at present.

- (ii) MAHASIVARATRI.—This festival will be retained in the list of statutory holidays.
- (iii) VIJADASAMI.—The Government see no sufficient reason to sanction the grant of a holiday for this festival.
- (iv) LUNAR ECLIPSE.—The practice of granting a holiday to Hindus on the occasion of certain lunar eclipses will be continued.
- (v) HOLIDAYS SPECIAL TO ROMAN CATHOLICS.—“Assumption Day” will be substituted for “Corpus Christi.”

2. The Government direct that in future the two holidays admissible for “Pongal” should be notified on the days of “Bogi Pandigai” and “Pongal.”

3. A list of holidays to be granted in public offices, revised in accordance with these orders, is appended to these proceedings. The orders will come into force with effect from 1st January 1915.

4. The Board of Revenue is requested to revise in consultation with the Collectors of the Districts concerned the list of special local holidays given on page 337 of the Quarterly Civil List corrected up to the 1st April 1914, and to submit a fresh list for the approval of Government.

5. The thanks of the Government will be conveyed to the President and members of the Committee for their advice and assistance.

(True Extract)

A. BUTTERWORTH,

*Ag. Chief Secretary.*

\* \* \* \*

Forwarded to the President, Southern India Chamber of Commerce.

(By order)

(Sd.) P. GOVINDAN,

31-7-14

*Superintendent in Charge,  
Chief Secretariat.*

## Prohibited Export of Tanned Hides.

*Calcutta, 10th August 1914.*

The Secretary,

The Southern India Chamber of Commerce,

Madras.

DEAR SIR,

We are obliged for your letter No. 97 of the 25th May last. We have no doubt that you are in possession of a copy of "The History of a Trust and a Boycott" published by us in February of this year, and distributed widely all over India. In that history we have given all the essential points relating to this movement. We now supplement it with the following further facts:—

When the history was being published we were taking steps to probe deeper into things, and, if possible, obtain documentary evidence of the boycott of our firm both here and in Germany and in Austria. We approached the Aruthdars of Calcutta and after many interviews with them we were able, after much difficulty, to obtain from them in writing a statement to the effect that they have been threatened not to sell to us. We enclose copy of correspondence interchanged by us with the Calcutta Hide Aruthdars Anjuman. We also deputed one of our partners to go to Europe and make investigations there. We are now in possession of incontrovertible proofs from Europe of the methods adopted by the Calcutta German shippers in conjunction with the German and Austrian dealers associations for boycotting our goods in Germany and Austria. Owing to the wide publicity given by us to this matter both in India and in Europe, the two combines of Calcutta and Europe have been unable to keep the tactics adopted by them secret. At first they were very anxious not to expose their doings, but the whole history is now public property and everybody in Europe who has anything to do with the hide trade is fully acquainted with it. The tanners, who like ourselves, were affected by this combine, have met several times and expressed their thanks to us for the



resolute stand that we have made. The little support that we now get in working hides is all from tanners, but we know that the combines will plot and scheme by every means in their power until, somehow or other, the tanners are forced also to join them. It must not be forgotten that the German Shippers Association here supported by the two Dealers Associations in Germany and Austria forms a very strong body, and as soon as its strength is effectively established, it will certainly dictate its own terms to all parties who handle the hides in India and lastly in Europe.

The boycott of our firm by the European dealers is still in force and the boycott of us in the Calcutta bazaar still exists. For our supplies we have to go to Cawnpore, Dacca, etc. In those markets also the German combine still strives to work a boycott against us but it has had no success so far. Our Cawnpore Agent recently wrote that Messrs. Ralli Bros. had started buying hides there for their Karachi office and that the Germans in Cawnpore requested the Aruthdars to boycott Ralli also, which naturally they refused to do.

Our contentions are the following :—

That this combine of the eight German shippers of Calcutta assisted by the two Dealers Associations of Germany and Austria is a preliminary step for creating a huge Continental Trust to control the entire supply of raw hides in the whole of India, and work it in such a manner as to give a maximum of profit to German and other continental interests who will join and to the detriment and loss of all British subjects engaged in the business.

That it will seek to prevent any British concern either Indian or otherwise from entering into this trade and it will certainly become a very great factor in preventing the Indian ryot from obtaining full value for his hides.

It is therefore obvious that British merchants in their own interests and the Indian Government in the interests of its subjects should take strong measures to

prevent this German trust movement from taking root. The only remedy which can be effective is for the Indian Government to warn the German Calcutta combine, through any channels that the Government may think fit, to desist from entering into methods of trade which are against British principles of free trade, impressing the fact that the Indian Government strongly disapproves of foreign merchants, who enjoy to the utmost free principles of trade in a British dependency working with the objects of ousting British merchants by any other means than open and fair competition. Should however such warning prove to be of no avail the only effective remedy would be to tax all raw cow or buffalo hides and calfskins that are shipped from any Indian port to any port on the continent of Europe, Aden, and any of the Red Sea, Mediterranean and Black Sea ports. The tax should not be less than 6 pies per lb. of hides shipped or more than 1 anna per lb. If such a tax should be imposed, the benefits to be derived from it will be the following :—

The Indian Revenue will benefit to the extent of about 50 lakhs of rupees annually by a tax of 6 pies per lb. which will not injure the Indian ryot or the Indian handler in any way, as we estimate that the extra profits now being made by reason of the combine here and in Europe is more than this sum and if the combine develops into an organised trust, we have no doubt this figure will be greatly increased. There being no duty on hides shipped to Great Britain trade will doubtless be diverted from the Hamburg stronghold of to-day to the British Isles and into the hands of merchants whose principles of trade are against boycott tactics. British Steamship Companies will also benefit by carrying this valuable cargo which is now exclusively shipped in German bottoms. Any merchant, either foreign or British, will have an open field and fairness in trade if the present iniquitous German control is got rid of. The Indian ryot who in the main is a sufferer now and will be a greater sufferer once the trust is established, will then be rid of all the disadvantages under which he now is, and will sell his articles in free and open competition to the highest bidder.

You are no doubt aware that merchants who buy hides for the Madras tanning industry also labour under a boycott in the Calcutta market. They may not buy hides in the open market from the Aruthdars but can buy their requirements from the omnipotent-German shippers of Calcutta.

Yours faithfully,

(Sd.) M. M. ISPAHANI & SONS.

*Madras, 22nd August 1914.*

To

The Secretary,

The Southern India Chamber of Commerce,

Madras.

SIR,

We have the honour to represent to you that the Government of India have recently issued a proclamation prohibiting the exportation of tanned hides from India and the Order of the Government in this respect affects this branch of the trade very materially, a few of which we detail hereunder:—

1. The Shippers (European and Native Firms) have entirely ceased all purchases of tanned hides as the result of this prohibition, in consequence of which there is a very large accumulation of stock of tanned hides both in Madras and in the Tanneries all over the Madras Presidency. In this way several lakhs of rupees are locked up putting a very strong check on the growth of trade and bringing untold miseries on the merchants and on labour employed.

2. In the circumstances we are unable to maintain our workmen employed in the tanneries.

3. These workmen are and will be thrown out of employment and the hides that are in the process of work cannot be finished in their tanning for want of money to purchase necessary tanning materials with the result that the hides will deteriorate in quality and will be of little value in their rotten state.

4. The advances we have made to butchers in the usual course of business before the outbreak of hostilities on the continent and the Proclamation as to the prohibition of tanned hides was issued will be forfeited if we do not take delivery of their wet salted hides and pay for them the market value as usual. The advances in question amount to several lakhs of rupees.

5. The tanneries are situated all over the Presidency in the following places :—

Bellary, Rayadurgam, Hospet, Cocanada, Rajahmundry, Bezwada, Vizianagaram, Pallavaram, Hyderabad, Secunderabad, Berhampore, Mutwada, Bolaram, Trichinopoly, Dindigul, Madras, Ranipet, Ambur, Vaniambady, Bangalore, Salem and Coimbatore.

6. There are about 400 tanneries in the Presidency, in each of which about 100 workmen are employed and when the tanneries cease to run on in about a fortnight's time, there will be about 40 to 50 thousand coolies thrown out of employment and on these and on their dependents will fall a blow that can be easily imagined than described.

7. If the prohibition of the exportation of tanned hides is withdrawn by the Government, the European and the Native Firms, dealing in this trade will purchase the tanned hides, stock or ship them according to their convenience or requirements. For your information we may also state that the firms stock the goods even 3 or 4 months.

The above are some of the disadvantages resulting from the prohibition of the export of tanned hides and we cannot express all that we feel in the matter on account of the trade having come to a standstill. We request that you will take up this matter on our behalf with the Government and address a petition to the Government of India and to the Government of Madras very strongly on the question putting forward the disabilities under which the trade suffers, the fact of several thousands of coolies undergoing privation—being thrown out of employ-

ment and the serious financial loss which the merchants have to face if this state of affairs were to continue even for a short while.

Thanking you,

We remain, etc.,

(Sd.) K. HAJEE ABDULKADER SAIB  
LAUL BATCHA SAIB & Co., AND 19 OTHERS.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 27th August 1914.*

No. 263.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce.

To

The Secretary to Government,  
Revenue Department,  
Stonehousehill.

SIR,

I have the honour to request the earnest and urgent consideration of Government to the memorial of the Madras shippers and tanners of hides, copy of which is enclosed.

2. The hardship complained of is real and serious. Unless something is undertaken immediately to revive the trade, which has suddenly come to a standstill on

Notification of the Government of India Department of Commerce and Industry (Customs) No. 7104 dated Simla 10th August 1914.

account of the prohibition imposed by the Government of India, not only the dealers, shippers and tanners will be hard hit but also the very considerable number of labourers em-

ployed in the tanneries all over the Presidency. The Chamber gathers that over 50,000 labourers will thereby be thrown out of employment, a very serious situation which requires prompt attention.

3. The shippers are prepared to submit to any restrictions the Government may choose to impose to ensure shipments reaching only the United Kingdom or Neutral Countries.

4. There was a special meeting of the shippers and tanners at the Chamber yesterday, and they strongly urged that the position should be taken to the notice of the Government for such action as they may choose to take promptly in the present circumstances.

5. I may add I represented this matter in person to the Hon'ble Sir Harold Stuart yesterday, at the Fort Saint George, and he promised to give it his best consideration.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 27th August 1914.*

No. 464.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Collector of Customs,  
Madras.

SIR,

I have the honour to enclose copy of a letter I have addressed to Government and of a memorial received by

the Chamber from the shippers and tanners of hides in Madras.

I am to request you to be good enough to give such support as you may to the representation of the Chamber and to the cause of the memorialists.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

(Sd.) M. A. SUBHAN,  
*Secretary.*

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“Telegram from the Government of India Department of Commerce and Industry, dated 8th September 1914—

Reference this department telegram 8600-8605 dated first instant. Relaxation of prohibition on export of tanned hides. Secretary of State now telegraphs that War Office requirements of harness, saddlery and boots are very large and that shortage of leather is anticipated. They do not propose importing hides on account of Government but through the medium of private firms and suggest that shipments from India to the United Kingdom should be accelerated. Secretary of State adds that it is very desirable to meet their wishes as fully as possible. Government of India recognise that tonnage is at present scarce but hope that this will shortly be remedied. Chamber of Commerce may be informed accordingly”.

(True Extract.)

Communicated to all Hides and Skins Merchants of the Chamber.

(Sd.) M. A. SUBHAN,  
*Secretary.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE.

*Madras, 4th September 1914.*

Nos. 272-275.

Messrs. Best & Co. Ltd.

Messrs. Binny & Co., Ltd.

Messrs. Gordon Woodroffe & Co.

The Secretary, Freight Conference,

MADRAS.

DEAR SIRS,

Now that the restriction on the export of tanned hides has been removed, it is very desirable that all facilities should be afforded for relieving the accumulation of stock. You are aware of the dearth of steamers in the Madras roads for some time past, and at the instance of the shippers who are members of this Chamber, I am to request you to arrange for the distribution of freight in your line, in such a manner as to give satisfaction to all generally. I have no doubt you will do your best to secure a very fair distribution all around, in the interests of trade.

Yours faithfully,

(Sd.) M. A. SUBHAN,

*Secretary.*

\_\_\_\_\_  
(True copy.)

Communicated for information to all Hides Exporters.

(Sd.) C. DURAISWAMI AIYANGAR

*Assistant Secretary,*

*The Southern India Chamber of Commerce,*

*Madras.*

*4th September 1914.*



BRITISH INDIA HOME LINE,  
*Madras, 8th September 1914.*

The Secretary,

The Southern India Chamber of Commerce,

Madras.

DEAR SIR,

We are in receipt of your letter No. 273 of 4th instant and have to inform you that the following steamers have been provisionally fixed to take the homeward sailings as follows :—

s. s.	" CHUPRA "	about 5th October.
"	" MALDA "	" 26th "
"	" NEVASA "	" 16th November.
"	" NEURALIA "	" 7th December.

Freight on choice cargo will be subject to an increase of 25% on rates hitherto in force and on rough cargo 30% which please note.

We are, etc.,

For BINNY & Co., LTD.

(Sd.) G. A. BAMBRIDGE,

*Asst. Manager.*

*Agents.*

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Copy communicated to all Shippers of the Chamber.

(Sd.) C. DURAISWAMI AIYANGAR,

*Asst. Secretary.*

*9th September 1914.*

## Defence of Madras Port.

GODOWN STREET,

*Madras, 30th September 1914.*

To

The Southern India Chamber of Commerce,  
Madras.

GENTLEMEN,

The daring Commander of the German cruiser "EMDEN" has not only sunk six merchant ships close by our shores, and bombarded our peaceful town creating in the minds of our people excitement and terror, but also captured and sunk four more ships on the West Coast.

Rumours of a probable revisit of the "Emden" and the unsafety of the Port has wrought a great panic in the minds of the people so much so, that daily great numbers are leaving the town for the interior. If this state of things be permitted to continue, we are afraid, Madras will soon be depopulated.

The Government, no doubt, through the Commissioner of Police and by other means are trying to instil confidence in the minds of the people and it is hoped they will succeed in checking a further outflow of population.

We are sorry to say that several merchants in the Godown street and elsewhere have already left Madras taking their merchandise with them and many others are offering their stock to their creditors as security for their money, with a view if such arrangement be accepted to leave the town at the first possible opportunity.

What will be the effect of all this on the other remaining merchants and the general public may easily be guessed than expressed.

Many more are trying to leave the town and on being questioned they agree to continue their business as usual, if the Government station a couple of cruisers in the Madras Harbour; but absolutely refuse to remain con-

tent with the assurance that everything is being done by the Government to capture the " Emden " and that a repetition of the bombardment can never occur again.

Under these circumstances, it is very essential that your Chamber should take immediate steps to acquaint the Government of the real feelings of the people and get them to station at least two cruisers in our Port. This will at once instil confidence in the minds of the people and avert a very serious danger that is now threatening us.

We remain, etc.,  
(Sd.) M. A. SUBHAN,  
AND SEVERAL OTHERS.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 1st October 1914.*

No. 287.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to Government,  
Stonehousehill.

SIR,

I have the honour to forward herewith in original a memorial addressed to the Chamber by several of the dealers in Piece-goods in Madras. I am to request you, by the direction of my Committee, to take such action in regard to the request of the memorialists as may seem necessary to the Government.

I have, etc.,  
(Sd.) P. THEAGAROYA CHETTY,  
*President.*

Encls:—1.

## GOVERNMENT OF MADRAS,

## PUBLIC DEPARTMENT.

G. O. No. 1319. *dated 12th October 1914.*

Read the following papers : —

From the President of the Southern India Chamber of Commerce, Madras, No. 287, dated 1st October 1914.

ORDER :—

The President of the Southern India Chamber of Commerce will be informed that the distribution of war ships must be left to the discretion of the Naval authorities who are known to be using their utmost endeavours, with the ships at their disposal, to protect the coasts and rid the seas of danger from the enemy.

(True Extract.)

(Sd.) T. J. TASKER,

*for Chief Secretary.*

To

The President,

The Southern India Chamber of Commerce,

Madras.

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True copy of the letter forwarded to Moulana Abdus Subhan Sahib, Esq. and others for information.

(Sd.) C. DURAISWAMI AIYANGAR,

*Assistant Secretary,**The Southern India Chamber of Commerce,**Madras.*

15th October 1914.

## Cutting of Currency Notes.

FINANCE DEPARTMENT,  
ACCOUNTS AND FINANCE.  
(Paper Currency).

No. 1246-F.      *Dated Simla, the 31st August 1914.*

From

The Hon'ble Mr. J. B. Brunyate, C.I.E., I.C.S.,  
Secretary to the Government of India.

To

The Secretary,  
The Southern India Chamber of Commerce.

SIR,

I am directed to address you as to the desirability of taking steps to bring to an end the present practice of cutting currency notes.

2. The use of paper currency in this country has been rapidly growing in recent years, and there is no reason to doubt that this increase will continue; more particularly if it proves possible to extend the facilities afforded by the system, as for example, by the universalization of the Rs.500 note, as recommended by the Royal Commission on Indian Currency and Finance, or by the gradual increase of the number of currency centres. A number of practical questions relating to the paper currency system have thus begun to claim increased attention, and the Government of India are impressed with the necessity for removing any defects of method and procedure which are likely to hinder its growth and popularity or to entail loss to the public. Thus, with a view to diminishing the possibilities of fraud, the Government of India have already under consideration the question of discontinuing the re-issue of used notes. An officer has also been deputed to England to investigate the question of the improvement of the present form and design of paper money

and to study the most modern and scientific methods of defeating the counterfeiter. It is probable that a reference will shortly be made to you in this matter. The question of discouraging the cutting of notes belongs to the same group of problems, but is of sufficient importance to require separate treatment.

3. This practice, the primary object of which, as is well known, is to facilitate the use of notes for remittance purposes has been proved by the repeated experience of the Paper Currency Department to lend itself to the commission of fraud. The examination of divided notes also entails the expenditure of much care and time in the offices of the Department and consequent delay in encashment and inconvenience to the public. Such delay can of course be minimised by the employment of larger establishments than would otherwise be necessary, but it is evident that, with any considerable further development of the circulation, it must cause increasing impediments to the acceptability and smooth administration of the currency note system. It seems desirable, therefore, to take steps to discontinue a practice which, if not actually prohibited in other countries, is only recognised tacitly because it has not reached elsewhere the dimensions prevailing in India; and though the Government of India recognise that there must be objections of a temporary nature to any change of system in this respect, they think that probably the time has come when these temporary difficulties should be faced. They would accordingly be glad to be furnished with an expression of your opinion on this general proposal. They recognise, however, that any procedure to be adopted with this end in view must be considerate and cautious, and I am to outline tentatively below the general lines on which, as at present advised, they think it might be desirable to proceed.

4. The first and obvious objection to prohibition is that it would withdraw from the public a means of remittance which is undoubtedly valued, especially in a country which is at present meagrely provided with banking facilities and where the use of the cheque as a form of currency is still restricted to a comparatively

small class. As regards petty remittances, however, the system of postal insurance of notes up to a limit of value of Rs. 2,000 supplies an adequate means of remittance at a cost which is not excessive for such cases. As regards the larger transactions of trade, the Government of India's experience is that even with the universalization of notes up to and including Rs. 100, the use of notes for remittance purposes, though undoubtedly large, is not so great as was at one time anticipated. The Government already allow very considerable regular facilities for remittances at moderate rates, and though the matter is not one in which any explicit undertaking can at present be given, they look forward to extending the field of such remittances in the future as opportunity offers.

5. A further difficulty is that of bringing home effectively to the public as a whole, and particularly to that portion of the public which deals in small sums, the fact that this practice is coming to an end. If excessive notice is given, the intention announced is likely to be forgotten before the time arrives for making it operative; if moderate notice is allowed, the intended change may not be sufficiently widely known and understood. It is suggested, however, that a preliminary notice of one year will probably be as long as is desirable. It is also considered that any penalties enforced thereafter should, for some time to come at any rate, be on a strictly moderate scale. The general idea would be that during the year to which the notice extended, no penalties whatever would be imposed on the tenderer of half notes whether the notes tendered had been issued before or after the notice was first given. Thereafter, the tenderer of cut notes would have to pay penalties on some such scale as the following, the question of the exact amounts to be fixed being, however, one of the points on which opinions are now invited :—

Rs. 5	notes	...	...	One anna per piece.
,,	10	,,	...	Two annas per piece.
,,	50	,,	...	Three annas per piece.
,,	100	notes and over.		Four annas per cent.

The scale thus fixed at the outset might afterwards be found to suffice as a permanent arrangement ; or, on the other hand, after a suitable further interval, it might be desirable to make the penalties more stringent. The original scale, however, would remain in force for two or three years at any rate, and whatever further steps might be taken at a subsequent date, the Government of India do not contemplate that a currency note should at any time be absolutely refused and converted into so much waste paper, merely because it has been cut.

6. I am accordingly to ask for the opinion of your Chamber on the following points:—

- (1) Whether it is not desirable that the practice of cutting currency notes should be discouraged.
- (2) Whether the methods above proposed for effecting this purpose are suitable, or, if not, what alternative methods are recommended.
- (3) Whether the penalties suggested in paragraph 5 above are suitable.

7. I am further to explain that in any case no steps in the direction contemplated would be taken until normal conditions once more obtain in respect of trade and credit.

8. Local Governments are also being consulted on the above questions, and it will be convenient if, when replying to this letter, you will send a copy of your reply to the Government of your Province, so that the latter may be in possession of the views of your Chamber.

I have, etc.,

(Sd.) E. BURDON,

*for Secretary to the Government of India.*



THE SOUTHERN INDIA CHAMBER OF COMMERCE,

No. 289.

*Madras, 3rd October 1914.*

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

Madras.

To

The Secretary to the Government of India,

Finance Department,

Simla.

SIR,

I have the honour to reply to your letter No. 1246-F, dated 31st August 1914, on the question of the desirability of taking steps to bring to an end the present practice of cutting currency notes.

2. The reasons given by the Government of India to stop the present practice of cutting currency notes for remittance purposes do not appear to this Chamber to be quite adequate, considering the great disturbance to the existing facilities for remittance and the unpopularity that is likely to be caused. The reasons adduced by the Government of India are :—

- (1) That the practice lends itself to the commission of fraud,
- (2) that it entails the expenditure of much care and time in the examination of divided notes,
- (3) that there is a consequent delay in encashment and inconvenience to the public.

3. This Chamber has not heard of any complaints of delay in encashment and consequent public inconvenience. As regards the first and second reasons alleged, this Chamber is of opinion that the difficulty complained of can be obviated by a slight increase in the staff employed in Currency offices to examine divided notes, and this extra expenditure would be fully justified,

considering the inconvenience the general public would be put to if the proposed course were adopted by Government.

4. In the absence of adequate banking facilities for remittances, which the Government itself recognises, my Chamber apprehends that the proposal would work harshly with the commercial community. It may also render any expansion in the extension of Paper Currency, which is so very desirable, difficult of accomplishment. Possibly, it might also lead to a contraction, as currency notes are now mainly sought for by the mercantile community on account of the facility they give for remittance purposes.

5. This Chamber is, therefore, strongly against the proposal to end the practice of cutting currency notes, till such time that full Banking facilities are available in the country or the rates of postal insurance for remittances are considerably reduced.

6. Should the Government of India decide, however, to stop the practice, the methods proposed by the Government in their letter under reference are in our opinion, quite suitable, though the penalties proposed in para. 5 of the letter under reply would appear to be rather too high. We beg to suggest the following scale instead:—

5 Rupee Notes	...	...	½ anna per piece
10    "      "	...	...	1   "      "
50    "      "	...	...	2 annas   "
100   "      "	and over	...	4 annas per cent.
subject however to a maximum of Rs. 5.			

The opinion is strongly held that the amount of penalty leviable in any case should not exceed Rs. 5.

7. A copy of this letter has been submitted to the Government of Madras, as desired in para. 8 of your letter.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 3rd October 1914.*

No. 290.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to Government,  
Stonehousehill.

SIR,

I have the honour to submit, for your consideration, copy of a letter I have addressed to the Secretary to the Government of India, Finance Department, in reply to his letter No. 1246-F, dated Simla, 31st August 1914, on the subject of the desirability of taking steps to bring to an end the present practice of cutting currency notes.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

Encls: 1.

—:o:—

## War Risk Insurance.

*Madras, 30th September 1914.*

The Secretary,

South Indian Chamber of Commerce,  
Madras.

DEAR SIR,

In view of the present war in Europe, we understand freights have been considerably advanced and the insurance covering war risks also greatly increases the cost of goods. We shall be obliged if you will kindly inform us if the South Indian Chamber of Commerce has considered these matters as to whether the buyer or the

seller is liable for these extra charges or whether the shippers in England should pay the same. We are referring to the extra charges on shipments of Piece Goods.

We are, etc.,

(Sd.) H. MD. BADSHA SAHIB & Co.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 1st October 1914.*

No. 288.

The President,

Chamber of Commerce,

Madras.

DEAR SIR,

Will you be good enough to let this Chamber know the attitude of your Chamber regarding the claim for extra freight and war risk insurance claimed by the Manchester shippers of Piece-goods from Indian importers when contracts are F. I. H.? The question has been aised by several of our members, and an expression of your Chamber's opinion will be found valuable.

Yours faithfully,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

*Telegrams Sent on the 1st October 1914.*

- (1) Native Piece-goods Merchants Association.
- (2) Indian Merchants Chamber Bureau, Bombay.

Please	wire	your	attitude
regarding	claim	for	extra
freight	and	war	risk
insurance	claimed	by	Manchester
shippers	piece-goods	from	Indian
importers	when	contracts	are
F. I. H.			

SOUTHERN INDIA CHAMBER OF COMMERCE.

BOMBAY, *dated 2nd October 1914.*  
Southern India Chamber of Commerce,  
Madras.

Received your wire you are aware our Association has contract for freight with Conference liners having regard to provisions thereof it has been resolved that surcharge upto 25 per cent. in freight be paid by the dealers under protest in goods shipped on bills of lading dated 29th August and after also that the dealers are not to pay any charge in respect of war insurance, &c., on goods bought on F. B. H. Terms.

BOMBAY PIECE-GOODS ASSOCIATION.

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BOMBAY, *5th October 1914.*  
Southern India Chamber of Commerce,  
Madras.

Please refer to Bombay Native Piece-goods Merchants Association Letter follows.

(Sd). MEHTA,  
*Secretary, Indian Merchants Chamber.*

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CHAMBER OF COMMERCE,  
*Madras, 15th October 1914.*

The President,

The Southern India Chamber of Commerce,  
Madras.

DEAR SIR,

In reply to your letter of the 1st instant, I beg to enclose copy of a letter which this Chamber has addressed to Messrs. H. Md. Badsha Sahib & Co., Madras, on the subject of war risk insurance and extra freight.

I remain, etc.,  
(Sd.) A. E. LAWSON,  
*Secretary.*

[ENCLOSURE.]

*Madras, 15th October 1914.*

Messrs. H. Md. Badsha Sahib &amp; Co.,

Madras.

DEAR SIRs,

In reply to your letter of the 30th September 1914, I beg to inform you that, in the opinion of the Chamber, when there has been no custom to include war risk in the c. i. f. price, the extra will be on buyer's account, but the seller is responsible for the freight surcharge.

I remain, etc.,

(Sd.) H. S. FRASER,  
*Chairman*

(Sd.) A. E. LAWSON,

*Secretary.*

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NOTICE.

THE SOUTHERN INDIA CHAMBER OF COMMERCE.

INDIAN CHAMBER BUILDINGS,

*Madras, 10th October, 1914.*

The question of the claim by British and foreign shippers for extra freight and war risk insurance having been raised for consideration by the Chamber, it was resolved at a meeting of the Executive Committee of the Chamber held on the 9th October 1914 :—

1. " That no surcharges, either for extra freight or war risk insurance, be paid by importers on goods bought by them on F. I. H. terms."
2. " That this resolution be communicated to all concerned."

P. THEAGAROYA CHETTY,

*President.*

## Piecegoods Contracts.

FINANCIAL DEPARTMENT,  
*Ootacamund, 21st August 1915.*

No. 5477-1.

From

The Honourable Mr. A. Butterworth, I. C. S.,  
Ag. Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras,

SIR,

I am directed to forward a copy of a telegram dated the 19th August 1914 from the Commerce and Industry Department of the Government of India containing an appeal from the Manchester Chambers of Commerce to the various Indian Piecegoods Associations in this country, that the contracts for delivery of cotton goods which are voidable at once by buyers may be extended under the *force majeure* clauses for two months for goods now under contract. I am to request that your Chamber will be so good as to give the subject its best consideration.

I have, etc.,  
(Sd.) B. LAVILLE,  
for *Chief Secretary*.

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[ENCLOSURE.]

Copy of Telegram from the Government of India, Department of Commerce and Industry, Simla.

To the Chief Secretary to the Government of Madras.

*Dated the 19th August 1914.*

Following cable has been received from the Secretary of State:—  
Deputation of Chambers of Commerce, Manchester, represent that owing to scarcity of vessels shippers of cotton goods (under time goods) will be unable to fulfil contracts for July delivery probably also August or later delivery. Calcutta and Delhi contracts provide for one month extension

others voidable at once by buyers. Deputation suggests extension of contracts by your Government presumably involving special legislation. On learning objections to this they ask for assistance in negotiating with Indian Chambers for extension of contracts. They submit for transmission to your Government following:—"In view of dislocation caused by war and consequent impossibility of merchants adhering to contract time it is requested that you will appeal through Chambers of Commerce to the various native piecegoods associations to extend deliveries under *force majeure* clauses for two months for goods now under contract. Appeal may be made on the ground of patriotism as such an assurance would naturally help to secure continuity of employment Lancashire". Please bring this appeal through Chambers of Commerce to the notice of associations and firms concerned for such action as they are willing and able to take to assist shippers in the United Kingdom.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 8th September 1914.*

To

All Piece-goods Merchants of the Chamber,

Madras.

DEAR SIRs,

At the instance of the Manchester Chamber of Commerce supported by the authorities in this country, an appeal is made to all importers of Piece-goods in this Presidency that contracts for delivery of Piece-goods may be extended for two months. This applies to contracts for July and August delivery for the present. The Government may, if they choose, legislate in the matter and declare moratorium for Piece-goods contracts. Instead of doing that, they are appealing to the larger patriotism of the dealers. The Chamber hopes you will find the suggestion acceptable.

Yours faithfully,

(Sd.) P. THEAGAROYA CHETTY,

*President.*



*Copy of Telegram sent on 9th September 1914.*

CHIEF SECRETARY,

Your Telegram 1242 yesterday Chamber has induced Merchants Accept Extension Deliveries Piece-goods.

SOUTHERN INDIA CHAMBER COMMERCE.

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## State Technical Scholarships.

EDUCATIONAL DEPARTMENT,

*Dated Ootacamund, the 3rd October 1914.*

No. 3038-2-Edl.

From

The Hon'ble Diwan Bahadur P. Rajagopala Chariar,  
C. I. E.,  
Secretary to Government,  
Educational Department.

To

The Chairman,  
South Indian Chamber of Commerce.

SIR,

I am directed to enclose a memorandum on the subject of the State Technical scholarships and to request that you will be so good as to let the Government know, if possible before the 10th of December 1914, what industry or industries may, in the opinion of the South Indian Chamber of Commerce, be selected for the award of the scholarship during the year 1915.

As it is, in the opinion of the Government, necessary to consider, in granting these scholarships, not only what industries need development, but also whether students are available who are qualified to promote them after training. I am also to enquire whether the Chamber can recommend for scholarship any young man of

promise who has given proof of mechanical aptitude or an industrial turn of mind in any line and who might profit by further training in Europe in that line.

I have, etc.,

(Sd.) P. RAJAGOPALACHARI.

[ENCLOSURE.]

Memorandum No. 3038-3, Educational.

*Dated 3rd October 1914.*

In order to further the development of indigenous industries, the Government of India have instituted, with the sanction of the Secretary of State, a scheme of technical scholarships to provide natives of India, who are capable of taking advantage of it, with the means of studying the progress which has been made in industries and arts in the most advanced countries of the west. The scheme provides for the award of ten scholarships, the value of each of which is ordinarily £150 a year, exclusive of fees and travelling expenses, and at least one of the scholarships will be available annually for each province.

2. The scholarships are awarded for the promotion of existing native industries and the development of new industries. They are not intended for the study of agriculture or for studying civil engineering, law, medicine, forestry or veterinary science, for which provision already exists in India, but may be awarded for the study of electrical or mechanical engineering.

3. Since the institution of these scholarships, ten scholarships have been allotted to Madras, one was given in 1906 for the study of the weaving industry, one in 1907 for the study of the leather industry, one in 1908 for the study of textile chemistry as applied to dyeing, bleaching, finishing and printing of textile fabrics, one in 1909 for the study of the chemistry of soap-making and the use of native oils, one in 1910 for the study of metallurgy, and two during 1911, one for the study of weaving and one for the study of textile manufacture, one in 1912 for the study of electrical engineering, one in 1913 for the study of the leather goods industry, and one during the current year for the study of sizing and weaving.

4. The industry to be selected should be one which is either already developed or in the process of development in this Presidency. The industries which were recommended for selection during the current year were electrical engineering, soap-making, wood distillation, chemistry weaving, engineering as applied to motor-cars, architecture and manufacture of cement, matches and pottery. Of these, weaving was selected for the award of the scholarship.

5. The Government will be glad to know what industry or industries may, in the opinion of the South Indian Chamber of Commerce, best be selected for the award of the scholarship in 1915. Any information regarding the state of the industry to be selected would be valuable.

(Sd.) P. RAJAGOPALA CHARIYAR,

*Secretary to Government.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 27th November 1914.*

No. 511.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to Government,  
Educational Department,  
Fort Saint George.

SIR,

Adverting to your letter No. 3038-2 Edl., dated 3rd October 1914, on the subject of the State Technical Scholarships, I am to state that my Committee beg to recommend (1) industrial Chemistry and (2) the manufacture of cement as suitable for the award of scholarships in the coming year.

2. My Committee will endeavour to select and recommend a suitable candidate for scholarship, when the industry for the award of scholarship has been finally decided upon by Government.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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GOVERNMENT OF MADRAS,  
EDUCATIONAL DEPARTMENT.

*Order No. 86, Educational, dated 28th January 1915.*

After consulting the Madras and South Indian Chambers of Commerce, the Madras Trades' Association and some of the leading commercial firms in Madras, the Governor in Council considers that the State

technical scholarship available for award in this Presidency in the current year may most advantageously be assigned for the study of architecture and town planning. The following notification will accordingly be published in the Fort St. George Gazette and in all the District Gazettes.

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## Amendment to the Presidency Banks Act.

GOVERNMENT OF INDIA,  
FINANCE DEPARTMENT.

No. 1002-A.

*Dated Delhi, the 4th November 1915.*

From

The Hon'ble Mr. J. B. Brunyate, C. I. E., I. C. S.,  
Secretary to the Government of India.

To

The Secretary,  
The Southern India Chamber of Commerce.

SIR,

The Government of India have at present under their consideration a proposal that the Presidency Banks Act should be amended so as to enable the Presidency Banks to deal in certain securities to be issued by the Government of His Highness the Nizam of Hyderabad.

2. It is the intention of His Highness the Nizam's Government to raise funds from time to time for the purposes of railway development within the Hyderabad State. It has been agreed that the proposals regarding the borrowings to be undertaken shall be approved on each occasion by the Government of India and that the payment of interests due on the money borrowed shall be secured by the hypothecation of the unencumbered portion of the annual rental payable by the Government of India to His Highness the Nizam's Government on account of Berar. The amount so available is at present

ten lakhs of rupees per annum, while it is anticipated that in eight years' time the whole annual rental of 25 lakhs of rupees will be free to be hypothecated for this purpose.

3. In order to secure the successful flotation of the loans and the subsequent negotiability of the securities, His Highness the Nizam's Government desire that the Presidency Banks may be authorised to transact business in these securities in the manner contemplated in Section 36 of the Presidency Banks Act of 1879. I am directed to request that the Government of India may be favoured with the views of your Chamber on the proposal.

I have, etc.,

(Sd.) J. B. BRUNYATE,

*Secretary to the Government of India.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 2nd January 1915.*

No. 515.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to the Government of India,  
Finance Department,  
Delhi.

SIR,

Adverting to your letter No. 1002-A dated 4th November 1914, on the proposal to amend the Presidency Banks Act, I have the honour to state that this Chamber sees no objection to the course proposed.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

## State Hospitals and Dispensaries.

GOVERNMENT OF MADRAS,

PUBLIC DEPARTMENT,

*Dated, Fort St. George, the 7th November 1914.*

No. 2546-9.

From

The Hon'ble Mr. W. Francis, I. C. S.,

Secretary to the Government of Madras.

To

The Honorary Secretary,

South Indian Chamber of Commerce,

North Beach, Madras.

SIR,

I am directed to enclose a copy of G. O., No. 1316, Public, dated the 11th October 1914, and to request that the Government may be favoured with the views of the South Indian Chamber of Commerce on the proposals made therein at as early a date as possible.

I have, etc.,

(Sd.) C. S. ANANTARAMA AIYAR,

*for Secretary.*

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[ENCLOSURE.]

Order—No. 1316, Public, dated 11th October 1914.

The Government have had under their consideration the question of modifying the existing practice under which medical advice and treatment are provided free, or nearly free, to persons of all stations of life at public hospitals in this Presidency. It has long been accepted as a principle that in hospitals supported or substantially aided by the State only the poorest classes have really a claim to free treatment. While the Government are ready to devote funds liberally towards spreading a knowledge and appreciation of scientific medical treatment, they are unable to keep pace with the demand for free relief which has arisen and is continually growing, even were such a course compatible with that

growth of a body of private practitioners which in this Presidency, as in other countries, can alone be relied upon eventually to bring skilled treatment within easy reach of all classes in all parts. Practical difficulties, among them the difficulty of discriminating between the very poor and those who could fairly be called upon to contribute to the cost of their treatment, have hitherto hindered action in the direction in question, but the demand for relief at public medical institutions has of late grown so rapidly that it is yearly becoming increasingly clear that if the State is to continue to supply free treatment to the indigent, who have the first claim to such charity, it will be compelled to make some charge for medicines and attendance to those who can afford to pay it and who in other countries would be altogether denied admission to the hospitals and required to seek treatment from private practitioners and in private nursing homes. The Government accordingly propose to make a beginning by laying down a scale of charges to be levied from all but the very poor in the medical institutions in Madras city, where the system can be most easily watched and where the number of private medical practitioners is largest.

2. Under existing rules the following scale of charges is levied from patients at the State hospitals in the Presidency town :—

#### Out-Patients.

- |                    |        |   |
|--------------------|--------|---|
| (1) Medical advice | ...    | Given free of charge to all.  |
| (2) Medicines      | ... .. | Persons not in Government employ whose income exceeds Rs. 30 per mensem and Government servants whose salary is Rs. 60 per mensem and more are required to pay for medicines. |

#### In-Patients.

##### General Wards.

Income of Patient.		Daily Rate of Hospital stoppages.
Income from Rs. 25 to Rs. 49	...	Rs. 0—4—0
Do „ 50 „ 99	...	„ 0—8—0
Do „ 100 „ 149	...	„ 0—12—0
Do „ 150 „ 199	...	„ 1—0—0
Do „ 200 and upwards	...	„ 2—0—0
Infants under three years	...	Free.
Children from three to eight years	...	One-eighth of what is chargeable for the head of the family.
Children from eight to fifteen years	...	One-fourth of what is chargeable for the head of the family.
Children above fifteen years and wives	...	One-half of what is chargeable for the head of the family.

*Special Wards.*

Monthly income of the patient or head of a family.	Scale of daily charges for Go- vernment offi- cials.	Scale of daily charges for non- officials.
1	2	3

## Europeans and Eurasians.

		Rs.	a.	p.	Rs.	a.	p.
Minimum	...	3	0	0	4	0	0
Rs. 300 to 399	...	4	0	0	4	8	0
„ 400 to 499	...	5	0	0	5	8	0
„ 500 to 599	...	6	0	0	7	0	0
„ 600 to 699	...	7	0	0	8	8	0
„ 700 to 799	...	8	0	0	10	0	0
„ 800 to 899	...	9	0	0	11	8	0
„ 900 to 999	...	10	0	0	13	0	0
„ 1000 to 1099	...	11	0	0	14	8	0
„ 1100 and above	...	12	0	0	16	0	0

## Indians.

Minimum	...	0	8	0	0	12	0
Rs. 50 to 74	...	0	12	0	1	0	0
„ 75 to 99	...	1	0	0	1	8	0
„ 100 to 149	...	1	8	0	2	0	0
„ 150 to 199	...	2	0	0	3	0	0
„ 200 to 299	...	3	0	0	4	0	0
„ 300 and above	...	The rates for Europeans and Eurasians.					

Notes :—(a) When the families of officials are entitled to free medical attendance, the charges for a wife or a child above 12 years of age are those specified in column 2 above.

(b) When not so entitled, the charges are those specified in column 3.

(c) In the case of non-officials, the charges for a wife or a child above 12 years the same as for the head of the family.

(d) Children of 12 years of age and less are in all cases charged half rates.

(e) When two or more children of the same person are in hospital at the same time, the total charge will not exceed the daily rate payable by the head of the family.

(f) When the families of officials are entitled to the free supply of medicines in addition to free medical attendance, a proportionate reduction in the daily charge is made.

(g) For special nursing, an extra charge of Rs. 2 per day for each nurse is levied.

3. In lieu of the above, it is proposed to levy the following scale of charges in future, the Medical Officer in charge being given full discretion to remit them in the case of *bona fide* poor.

## Out-patients.

- (1) Medical advice, including minor operations, to all persons not in Government employ ... Half Anna.



- (2) Medicines to all persons, including Government servants irrespective of their income ... Two Annas.

In-patients.

(a) General Wards.

Income per mensem.	Medical advice including minor operations per diem.	Hospital stoppages per diem.	Major operations or confinement (maxima).
Under Rs. 50	No charge.	No charge.	No charge.
Rs. 50 but under Rs. 100	0 4 0	0 4 0	15 0 0
„ 100 „ „ 150	0 8 0	0 8 0	25 0 0
„ 150 „ „ 200	0 12 0	0 12 0	35 0 0
„ 200 and above	1 0 0	1 0 0	45 0 0

(b) Special Wards.

Income per mensem	Medical advice including minor operations and the supply of medicines per diem.	Hospital stoppages		Major operation (maxima).	Confinement (maxima).
		Europeans and Eurasians per diem.	Indians per diem.		
Under Rs. 300	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs.	Rs.
Rs. 300 but under Rs. 500	1 8 0	1 8 0	1 0 0	60	50
„ 500 „ „ 750	2 8 0	2 8 0	1 8 0	75	60
„ 750 „ „ 1000	4 0 0	4 0 0	3 0 0	125	100
„ 1000 „ „ 1500	6 0 0	6 0 0	4 0 0	200	150
„ 1500 „ „ 2500	8 0 0	8 0 0	5 0 0	250	200
„ 2500 and above	12 0 0	12 0 0	7 0 0	350	275
	15 0 0	15 0 0	10 0 0	500	350

Notes:—(a) The charges will be calculated on the average income received during the 12 months preceding admission to hospital by the patient or by the head of the family.

(b) For children of 12 years of age and less, half the rates of hospital stoppages will be charged.

(c) For special nursing an extra fee of Rs. 2 per day for each nurse will be levied.

(d) Government servants and their families, in so far as they may be entitled to free medical attendance, will be charged only hospital stoppages and not for medical advice or major operations.

(e) The scale of fees given in the table above for major operations and confinements will be regarded as maxima. The medical officer in charge of the case and if he is associated

with a surgeon, then such medical officer jointly with the surgeon who performs the operation or attends to confinement, should determine the fee to be charged, within the prescribed limits, for the operation or confinement, regard being had to its nature and gravity.

- (f) All charges levied under the foregoing proposals will be credited in full to the Government.

4. The Government desire to give publicity to these proposals before bringing them into operation and to invite general criticism upon them. The further consideration of the subject and of any criticisms and representations regarding these proposals will be undertaken after the expiry of three months from the date of these proceedings.

(True extract)

W. FRANCIS,

*Ag. Secretary to Government.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 2nd January 1915.*

No. 514.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to the Government of Madras,  
Public Department,  
Fort St. George.

SIR,

Adverting to your letter No. 2546-9 dated 7th November 1914, enclosing a copy of G. O. No. 1316 Public, dated 11th October 1914, inviting the views of the Chamber on the proposals regarding medical advice and treatment at Public Hospitals in the Presidency, I have the honour to state that this Chamber approves of the proposals generally, but is at the same time strongly of the opinion that no distinction whatsoever should be made in the scale of fees between officials and non-officials.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

## Hall Marking in India.

FINANCIAL DEPARTMENT,

*Dated Fort St. George, the 13th November 1914.*

No. 7119-3.

From

The Hon'ble Mr. A. Butterworth, I. C. S.,  
Chief Secretary to the Government of Madras.

To

The Chairman,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

I am directed to forward a copy of representations made by the Bombay Presidency and Madras Presidency Trades Associations, on the subject of the introduction of system of Hall-Marking of Gold and Silver Plate in India. It will be seen that the proposal emanated from the Bombay Presidency Trades Association, Limited, who urge that, in the jewellery and silver trades in India, locally made goods in gold and silver are often sold in such a way as to constitute a fraud on the public; and that, in order to protect honest traders from unfair competition, it is necessary that a voluntary system of Hall-marking should be adopted. It is stated that the system would not only protect the public, but would raise the standard of workmanship in India, and that, although Hall-marking should be voluntary in the first instance, it should be made compulsory eventually. The Bombay, Bengal and Karachi Chambers of Commerce, and the Calcutta, Madras and Secunderabad Trades Associations support the proposal.

2. The question of the introduction of a system of Hall-marking in India has received the careful consideration of the Government of India on several occasions, and the whole question was referred for public opinion with the Resolution of the Government of India in the

Finance and Commerce Department No. 5261, dated the 5th November 1890. The replies received indicated that it was not considered expedient to establish a system of Hall-marking, whether voluntary or compulsory, in India and the matter was eventually dropped. The main objections to proposal were :—

(1) That the legislation which would be required to introduce a compulsory system of Hall-marking would be of a character entirely opposed to the economic policy of the Government of India and would be vexatious and restrictive in operation ;

(2) that the provisions of a law of this character would be constantly evaded, and that a result of its operation would be the discouragement of trade in British territory and its encouragement in Native States ;

(3) that a system such as could be instituted without inordinate cost was not wanted by the great majority of the trade ;

(4) that there was a great danger of counterfeiting Hall-marks and their fraudulent application to inferior, spurious, or loaded, ware ;

(5) that there were only two Assay Offices in India, and under a voluntary system of assay, which could not be universal in its application, it was highly improbable that the fees received would cover the expenses of offices established for the purpose at other places, unless the fees were levied at such a rate as to constitute the imposition of a substantially heavy tax on the wares ; and

(6) that the outcome of the system would therefore be to inflict serious injury on workers in the metals in all places except in towns where the Assay Offices are located ; most of these were poor artisans who could not afford the expenses of sending their goods to the Assay Offices and if they refrained from getting their goods stamped, they would be handicapped in their trade and would probably have to retire from business in favour of wealthier dealers in large centres.

3. I am to request that you will be so good as to obtain and forward the opinion of your Chamber on the subject.

I have, etc.,  
(Sd.) B. LAVILLE,  
for Chief Secretary.

[ENCLOSURES.]

Letter from the Secretary, Bombay Presidency Trades Association, Ltd.

To the Chief Secretary, Revenue, Financial and Separate Departments, Government of Bombay.

*Dated the 3rd April 1914.*

No. 497-14.

For a considerable time past, my Association have been carefully considering the question of the possibility of introducing into India a system of Hall-marking of Gold and Silver plate similar to that which obtains in England.

I am now directed to enclose a short statement setting forth their views on the subject and trust that you will do my Association the favour of forwarding the same to the Government of India at an early date and further that you will see your way to afford the proposal your support.

Members of my Committee will be pleased to wait upon you should you desire further information on any of the points raised in the statement under reference.

HALL-MARKING IN INDIA.

It is well-known in the jewellery and silver trades in India that in a large number of cases locally made goods in silver and gold are often sold in such a way as really to constitute a fraud on the public.

Thus, gold articles are sold as a higher carat than is really the case while silver articles are often sold as equal to English Standard silver when in numbers of cases 50% of alloy is used.

It is very difficult to bring offenders to book because in most instances purchasers have left the station before they find out that they have been defrauded, and it is a great injustice to honest traders that there cannot be some means of ensuring a fair competition as it is of course impossible for the honest trader to compete with those whose cost for material is half what they say it is.

A system of Hall-marking in India would not only protect the public who in this case undoubtedly need it, but it would raise the standard of workmanship since it would be possible for the best workman to demand a just price for his work.

We do not propose that this should be made compulsory at once as this would possibly cause a good deal of friction, and at present the demand for this is confined to those in the trade who desire protection to enable them to compete fairly. What we would propose is that at present a small department should be attached to each of the Mints (which are undoubtedly the most suited for this purpose) where persons who so desired could have articles marked with the Government stamp certifying that the metal is of the correct composition. The fact that this could be done would soon become widely known and there is not the slightest doubt that in a very short time nobody would purchase any article of gold or silver made in this country that was not marked in this way. It would then be a very simple matter to make Hall-marking compulsory as it is in almost every civilised country in the world. An enormous quantity of silver goods is made in this country, and the initial outlay by Government would be a very small item while there would be a steady revenue from this source which would undoubtedly leave a handsome surplus to Government.

We cannot see that there can be any opposition to this proposal, because no man who is trading fairly would object to having his fairness certified by Government.

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Letter from the Madras Trades Association, Madras.

To the Chief Secretary to the Government of Madras.

*Dated the 5th June 1914.*

I have the honour, by direction of the Committee of the Madras Trades Association, to enclose copy of a letter dated the 7th April 1914 received from the Bombay Presidency Trades Association, and enclosing copy of a representation recently addressed by that Association to the Chief Secretary to Government of Bombay, regarding the introduction into India of Hall-marking of Gold and Silver plate.

2. As will be observed from the correspondence above referred to, it is proposed that a system of Hall-marking of Gold and Silver articles made in this country be introduced, and that a small department should be attached to each of the mints where persons who so desired could have articles marked with a Government stamp, certifying the composition of the metal stamped.

3. Under laws dating back more than 500 years, the English Guild of Goldsmiths and Silversmiths were empowered to punish those who manufactured silver below a certain standard, and the 'Hall' authorities exercise similar powers. The English law is, that all silver plate should be of a certain standard of fineness, and then 'Hall-marked' under a penalty of £10 and confiscation. If the manufactured plate is found, under any circumstances, to be below the English standard, it is destroyed.

4. As represented by the Bombay Trades Association, it is a well-known fact in the jewellery and silver trades in this country, that, in a large number of cases, locally made goods in silver and gold are often sold in such a way as to constitute a fraud on the public. Gold articles are sold as a higher carat than is really the case, while silver articles are often sold as equal to English standard silver when, in numbers of cases, 50% of alloy is used, and the purchaser is thereby easily victimised.

5. As the law now stands, it is difficult to bring offenders to book and it is impossible for the honest trader to compete with those whose cost for material is half what they say it is. A system of Hall-marking in India would not only protect the public, but would certainly raise the standard of workmanship, since it would be possible for the best workman to demand a just price for his work. An enormous quantity of silverware is made in this country, and in the opinion of this Association, it is desirable that steps should be taken by Government to safeguard the interests of the public, which will also benefit the honest trader.

6. I trust that this representation may receive from Government the consideration it deserves.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 2nd January 1915.*

No. 513.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to the Government of Madras,  
Fort St. George.

SIR,

I have the honour to state in reply to your letter, Financial, No. 7119-3, dated 13th November 1914, on the subject of the introduction of a system of Hall-marking of Gold and Silver plate in India, that this Chamber is not in favour of the proposal to establish a system of Hall-marking in India, whether voluntary or compulsory.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

## THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 10th January 1915.*

No. 577.

From

Rao Bahadur P. Theagaroya Chetty, B. A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Collector of Madras,  
Madras.

SIR,

Adverting to your letter No. 1494 B & G dated 30th ultimo, I have the honour to state that on a reference from the Government, this Chamber has expressed the opinion that it is opposed to the introduction of a system of Hall-marking of Gold and Silver plates in India whether voluntary or compulsory.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

—: o :—

**Dye Stuffs from Coal Tar.**

R. O. C. No. 1196/B &amp; G of 1914.

MADRAS COLLECTOR'S OFFICE,  
*26th October, 1914.*

From

D. W. G. Cowie, Esq., I. C. S.,  
Collector of Madras.

To

The Secretary,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

I have the honour to inform you that the British Government have recently prohibited the export from the United Kingdom of dyes and dye stuffs obtained from coal tar, but the Government of India who are in corres-



pondence with the India Office on the subject hope to obtain permission for the export of definite consignments which may be required for consumption in this country. I would request you to be good enough to inform me what orders have been placed by the several firms for aniline dyes in the United Kingdom furnishing me with the names of the exporting and importing firms as well as the quantities ordered. On receipt of this information the Government of India will be in a position to telegraph to the Secretary of State for licenses authorising the export of the quantities in issue.

2. His Majesty's Government have appointed a strong Committee to investigate the possibilities of making good the deficiencies in the supply of dye stuffs, chemicals, &c., due to the cessation of supplies from Germany and the Government of India consider it desirable to bring to their notice as early as possible any shortage which is likely to arise in India in order that, if possible, arrangements may be made to meet the demand in this country as well as in the United Kingdom. I would be glad if managers of mills would furnish an estimate of their probable requirements during the next six months in order that representations may be addressed to the Secretary of State on the subject.

I have, etc.,  
(Sd.) D. W. G. COWIE,  
*Collector.*

MADRAS COLLECTOR'S OFFICE,  
5th November 1914.

R. O. C. No. 1196 B & G of 1914.

From

D. W. G. Cowie, Esq., M. A., I. C. S.,  
Collector of Madras.

To

The Secretary,  
South Indian Chamber of Commerce,  
Madras.

SIR,

In continuation of my letter No. 1196/B & G of '14 dated the 26th October 1914, I have the honour to state

that intimation has been received from the Government of India to the effect that certain manufacturers of dye stuffs in the United Kingdom have been granted licenses to export certain scheduled dyes on condition that the reasonable requirements of consumers in the United Kingdom are first supplied. It is also understood that special licenses will be granted permitting the shipment of most dyes not included in the schedule and that the Board of Trade will communicate to the Secretary of State for India any case in which it is proposed to refuse a license for any shipment of dyes to India. In view of the action thus taken in the United Kingdom to safeguard the interest of Indian importers, it is no longer necessary to forward to the Secretary of State detailed information regarding orders for dye stuffs already placed by Indian importers in the United Kingdom. I would request you to be good enough to bring to the notice of Government any instance in which an application for a license to export particular dye stuffs from the United Kingdom to this Presidency is refused.

2. These instructions apply only to the export of dye stuff. In respect of orders for the supply of other articles required for textile Mills the export of which has been prohibited, I request that I may be furnished with the particulars asked for in my letter of the 26th ultimo.

It is understood that the export of the following articles from the United Kingdom has been totally prohibited :—

Bichromate of Potash.  
Acetic Acid.  
Nitrate of Sodium.  
Glycerine.  
Oils, Mineral, Lubricating.  
Paraffin Wax.

I have, etc.,  
(Sd.) D. W. G. COWIE,  
*Collector.*

## Technical Information Bureau.

IMPERIAL INSTITUTE,

*London, S. W. 20th November 1914.*

The Director of the Imperial Institute presents his compliments to the Secretary of the Southern India Chamber of Commerce, and begs to enclose herewith for the information of the Chamber a copy of a circular relating to the formation and work of a Technical Information Bureau at the Imperial Institute.

The chief work of the Bureau is to supply technical information which will facilitate the use of Colonial and Indian raw materials in the United Kingdom.

The Bureau will from time to time issue special circulars through its Bulletin or otherwise dealing with Colonial and Indian raw materials especially with those which might be more extensively utilised in the United Kingdom. At the present time the operations of the Bureau are naturally occupied with the industrial situation created by the war. In this connection two circulars, dealing respectively with new markets for Colonial and Indian copra and with the uses of West African palm kernels, have been issued, and as a result several firms in the United Kingdom have taken up the crushing of copra and of palm kernels. A copy of the circular relating to copra is enclosed for the information of the Chamber.

The Imperial Institute will be glad to receive from the Chamber suggestions as to Indian materials regarding which similar action is desirable. Such suggestions should be accompanied by lists of firms who are in a position to sell large quantities of the raw materials referred to, so that, if necessary, British manufacturers may be placed in communication with them.

[ENCLOSURE.]

FORMATION OF A TECHNICAL INFORMATION BUREAU AT THE  
IMPERIAL INSTITUTE.

For some years past a steadily increasing stream of enquiries has been received by the Imperial Institute from manufacturers, merchants and others in Great Britain and the Colonies. These enquiries relate

principally to new sources of supply of raw materials, methods of utilising new products from the Colonies and India, or to new or little known processes and machinery for industrial purposes. The number of these enquiries has now become so great that the Secretary of State for the Colonies has authorised the formation of a Technical Information Bureau at the Institute for dealing with them.

This Bureau will be a special branch of the Scientific and Technical Research Department, and will be staffed by experts who have had the advantage of experience in the work of that Department of the Imperial Institute, which is carried on in communication with producers in the Colonies and with manufacturers and users of raw materials in this country.

The present is a specially opportune moment for the formation of such a Bureau, since the paralysis of German and Austrian trade and industry opens up opportunities for the development of many industries in this country and in the Colonies which have hitherto been monopolised by Germany. The new Bureau is already playing an active part in this work, and some examples of its activities may be given, to illustrate the kind of assistance it is prepared to render.

A very important question at the present moment is that of the supply of potash salts, which are essential in certain branches of glass and soap manufacture and for the preparation of a large number of chemicals and manures. Germany has for many years had a practical monopoly of this industry, owing to her possession of the great potash mines of Stassfurt. The only country which has made any attempt to break this monopoly is the United States. The possible sources of supply of potash to England just now are small, being limited to imports of nitre from India, potash made from Irish and Scotch kelp, and a little obtained as by-product from wool and waste timber. Numerous enquiries have been received at the Imperial Institute from British manufacturers on this subject, and they have been placed in communication with firms who may be able to meet their requirements. It is quite certain, however, that the existing supplies are quite inadequate to meet all the demands, and the Bureau is preparing a statement as to sources of potash, which will include some hitherto almost untouched for industrial purposes. The necessary enquiries will occupy some time, but it is hoped to issue the statement by the end of the present year.

An equally important matter is that of finding markets in this country for the immense quantities of raw materials from India and the Colonies formerly exported to Germany. As examples of these, palm kernels and copra may be mentioned. These products have been exported on a very large scale to Germany to be worked up into oil and feeding-cake, the former being then largely exported to England. There is no reason why this industry should not be transferred to such great oil-seed crushing centres as Hull and Liverpool. A statement giving full information regarding the German palm kernel industry is published in the "Bulletin of the Imperial Institute" (No. 3 of 1914), and the Bureau is prepared to place manufacturers interested in this industry in communication with merchants dealing in palm kernels, and similar action is being taken regarding copra and other raw materials.

One of the minor results of the European War is a great scarcity of thymol, a substance extensively used in medicine and pharmacy as an antiseptic. The reason for this scarcity is found in the fact that practically all the ajowan seeds from which thymol is extracted are exported

from India to Germany. The preparation of thymol from these seeds is a simple chemical process which can be carried on quite easily in this country. The necessary information for action on this subject has been supplied by the Bureau to various firms of British manufacturers.

Written enquiries should be addressed to the Director, Imperial Institute, S. W., and marked "Technical Information Bureau."

The Bureau is of course only one branch of the Institute. The Scientific and Technical Research Department of the Institute will continue as before to investigate the commercial possibilities of raw materials from the Colonies and India in its own laboratories and workshops.

The Public Exhibition Galleries of the Institute, which include a complete and permanent exhibition of the raw materials and primary manufacturers of the overseas Empire, are continually being added to, and are open daily to the public, free.

#### TECHNICAL INFORMATION BUREAU.

##### *New markets for British Colonial and Indian copra.*

Large quantities of copra have been exported during recent years from British Possessions to Germany and Austria-Hungary, and as this trade has totally ceased owing to the war it is necessary to consider the question of finding other markets for the produce.

The following table shows the imports of copra into Hamburg and Austria-Hungary during 1913 and will give some indication of the extent of the total trade and of the share of British Possessions. Hamburg is the chief centre of the German oil-seed crushing industry, and it is probable that the shipments of copra to that port practically represent the total German imports.

##### *Imports of copra in 1913 to Hamburg and Austria-Hungary.*

	Quantity Metric tons (2204 lbs.)
<i>Hamburg.</i>	
Imports from all sources ... ..	236,395
"    "    British Possessions... ..	124,434

##### *Austria-Hungary.*

Imports from all sources ... ..	33,604
"    "    British Possessions... ..	29,177

The details of the imports from the British Empire are as follows:—

##### *Imports of copra in 1913 to Hamburg and Austria-Hungary from the British Empire.*

	Hamburg, Metric tons (2204 lbs.)	Austria-Hungary Metric tons (2204 lbs.)
United Kingdom ... ..	225	—
British Central and } South America } ... ..	195	—
British Africa ... ..	not given	774
British East Indies ... ..	112,341	22,104
Australia ... ..	10,653	6,299
British South Sea } Islands } ... ..	1,020	
	<hr/> 124,434 <hr/>	<hr/> 29,177 <hr/>

These figures are not quite accurate and complete. Some imports from British West Africa reach Hamburg but are not separately shown in the returns for that port. The imports from Australia to Austria-Hungary include 608 metric tons from British Australia and 5,691 metric tons described merely as from Australia, which may include some of the foreign possessions in the Pacific. The figures are however probably sufficiently accurate for the present purpose.

The quantity of British copra for which a new market must be found may therefore be taken as about 153,611 metric tons.

It seems likely that a considerable proportion of this can be taken by the United Kingdom. The copra imported into Germany and Austria-Hungary is used for the production of oil (cocoanut oil) and feeding-cake (cocoanut cake). The quantity of cocoanut oil exported from Hamburg in 1913 amounted to 40,966 metric tons, of which 30,236 metric tons was sent to the United Kingdom and 5,261 metric tons to Norway and Sweden, the next largest purchasers. Copra is already expressed for oil in the United Kingdom and cocoanut oil is made both in Ceylon and India. There appears to be no reason therefore why the cocoanut oil which is imported to the United Kingdom from Hamburg should come in this roundabout way. The oil might be expressed in Ceylon or India and shipped direct to the United Kingdom or the copra might be exported to the United Kingdom and treated here instead of in Hamburg.

Further, the Trade Returns for the United Kingdom show that in 1913 this country also imported about 18,600 metric tons of cocoanut oil from foreign countries other than Germany. The total imports of foreign cocoanut oil to the United Kingdom in 1913 therefore amounted to about 49,000 metric tons, corresponding to about 82,000 tons of copra.

It is moreover certain that from all these foreign countries which export cocoanut oil to the United Kingdom, and especially from Germany, considerable quantities of cocoanut oil also reach this country in the form of margarine, vegetable butter and prepared fats and foods of various kinds. No definite figures can be suggested for the amount received in this way.

It is clear from the foregoing statement that considerably more than half of the British copra hitherto exported to Germany and Austria-Hungary could be taken by the United Kingdom, either in the form of copra or cocoanut oil. Ceylon and India produce both copra and cocoanut oil so that these countries could probably divert their supplies in either form to the United Kingdom.

In addition to the possibility of finding a market in the United Kingdom there appears to be a considerable chance of the British Possessions securing a share of the French import trade in copra. In 1912 the total imports of copra into France were 153,506 metric tons. Of this total 19,691 metric tons came from British Possessions, and 10,821 metric tons from French Colonies. Of the remainder 43,422 metric tons came from the Dutch East Indies and 72,064 metric tons came from the Philippines. It ought to be possible for Ceylon, India, and the Federated Malay States to compete on favourable terms with the Dutch East Indies and the Philippines for this trade. There also seem to be considerable possibilities of developing an export trade in copra with Denmark, Scandinavia and Russia, and possibly with Holland.

In the case of the United States the imports of copra in 1913 amounted to 15,548 metric tons, of which 10,674 metric tons came from the Philippines and the rest mainly from French, British and German Possessions in the Pacific. The imports of coconut oil to the United States amounted in 1913 to 22,915 metric tons, of which about 18,000 metric tons came from Ceylon, India, the United Kingdom and Australia, and the rest chiefly from France, Germany and the Philippines.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 28th January 1915.*

No. 590.

The Director of the Imperial Institute,  
London, S. W.

DEAR SIR,

I am to thank you and convey to your Institute the thanks of my Chamber for the circular letter relating to the formation and work of a Technical Information Bureau at the Imperial Institute.

2. Our members were much interested to learn of the proposed work of the Bureau and have perused with great benefit the useful information your Bureau has so far placed at their disposal. You will, doubtless, be good enough to favour us from time to time with your publications, which we shall make available to our members. I shall be obliged by your kindly including this Chamber in the list of bodies to whom you are supplying your periodical publications, reports, etc.

3. While our members much appreciate your endeavours in securing markets for Indian raw products, they will particularly thank you for all the information and expert advice your Research and Scientific Department may give regarding the possibilities of manufacture on a commercial scale of Indian raw products in this country. All available information on manufacturing processes, machinery, etc., and markets for manufactured articles from this country will be most welcome. If there is one lesson the War has taught us, it is the necessity for improving our manufactures.

I remain, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

# The Port Trust Amendment Bill.

THE FORT ST. GEORGE GAZETTE,  
*Madras, January 5, 1915.*

\* \* \* \*

No. 1 of 1915.

A Bill to amend the Madras Port Trust Act, 1905 (II of 1905).

Whereas it is expedient to amend the Madras Port Trust Act, 1905 (II of 1905); it is hereby enacted as follows:—

1. This Act may be called the Madras Port Trust Amendment Act, 1915.

\* \* \* \*

6. In Section 9 after the words “the Madras Chamber of Commerce” shall be inserted the words “two by the members for the time being of the Southern India Chamber of Commerce.”

\* \* \* \*

8. In the last sentence of Section 15 the word “concerned” shall be inserted after “Chamber of Commerce”.

9. In Section 1 for the words “by the Chamber of Commerce or Trades Association” shall be substituted the words “by either of the Chambers of Commerce or by the Trades Association”.

\* \* \* \*

## STATEMENT OF OBJECTS AND REASONS.

Since the existing Madras Port Trust Act was enacted there has been a considerable change in the circumstances in which work is carried on in the port of Madras. The increase of facilities for handling goods in the port has created new demands and new relations between the Board and its customers, and it is deemed necessary in some respects to define the consequent



responsibilities and powers of the Board more clearly. In particular, it is thought desirable to define more precisely the responsibilities of the Board as a bailee in respect of goods passing through its premises, and to empower it to handle passenger traffic, such as troops and emigrants between the ship and the shore. Advantage has been taken of this opportunity to remove certain obscurities in the Act, to delegate increased financial powers to the Board and to make more elastic its power of adjusting its rates of charges to meet the varying needs of trade.

2. An explanation of the main amendments which it is proposed to make is given in the subjoined notes on clauses :—

Notes on Clauses.

\*                      \*                      \*

Clauses 6, 8 and 9 :—The Government consider that the position attained by the Southern India Chamber of Commerce, which came into existence since the present Act became law, entitles it to the privilege of electing two members to sit on the Board. The amendments proposed in Sections 15 and 18 are consequential.

\*                      \*                      \*

P. S. SIVASWAMY AYYER.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 28th January 1915.*

No. 586.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to Government,  
Fort St. George.

SIR,

I am directed by my Committee to convey to His Excellency the Governor in Council the grateful thanks

of this Chamber for the privilege of electing two representatives to the Madras Port Trust, proposed to be conferred by means of the Bill to amend the Madras Port Trust Act, 1905.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

—:o:—

## **Export to Neutral Countries.**

CUSTOM HOUSE,

*Madras, 19th December 1914.*

No. R. O. C. 3792/14.

From

P. Eccles, Esq., B.A., I. C. S.

Offg. Collector of Customs,

Madras.

To

The Secretary,

The Southern India Chamber of Commerce,

Madras.

SIR,

I have the honour to state that the following proposal has been suggested to the Government of India that, in cases of commodities, such for instance as raw and manufactured jute, of which the export to neutral countries has been restricted or may in future be restricted, with a view to prevent supplies passing through neutral countries to the enemy, business would be greatly facilitated if a register were opened at each Custom House of forward contracts for shipment. In the event of a limitation being imposed on the total exports of any such commodity to a neutral country so as to secure that they should not appreciably exceed the usual annual average export of that commodity to that particular country, and the total quantity which it was desired to

ship at the time should exceed that amount, shipments would have priority according to priority of registration. This procedure would also enable a merchant about to enter into a contract for forward shipment to ascertain whether the proposed shipment would be likely to fall within the average annual export test whereas if the calculation is made on actual shipments, contracts made several months before may fail when the time comes for shipment on account of the average annual export having by then been considerably exceeded. In fact it is proposed that, if a test of average annual export is applied, it should be based on contracts for exports as exhibited in the register instead of on actual shipments. The Government of India are inclined to think that a system of this kind would be of no small advantage to merchants who are making forward contracts for exports to neutral countries.

2. It should however be clearly understood that the mere fact of its adoption should in no way be held to commit Government to allowing exports of any particular commodity to a neutral country up to the full annual average. Nor should registration be held in any way to convey an undertaking that shipment will be allowed. It is not possible to give any guarantee that prohibitions of exports will be based merely on this test, but in so far as the annual average export is an important indication of genuine trade with neutral countries, the Government of India are of opinion that the calculations for arriving at this average may with greater convenience to the commercial community be based on the amounts shown in these registered contracts rather than on the report of actual shipments.

3. I shall be glad to have the views of your Chamber on the above suggestion as soon as possible.

I have, etc.,

(Sd.) P. ECCLES,

*Offg. Collector of Customs.*

CUSTOM HOUSE,  
*Madras, 16th January 1915.*

No. R. O. C. 3792/14.

From

P. Eccles, Esq., B.A., I. C. S.,  
Offg. Collector of Customs,  
Madras.

To

The Secretary,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

I have the honour to refer to G. O. (Press) No. 3572, Sep. Rev., dated 7th December 1914, on the subject of the grant of licenses to cover the exportation of goods coming within the list of exports prohibited or restricted under Section 19 of the Sea Customs Act. For such licenses a fee of one rupee under Section 200 of the Sea Customs Act will be levied.

2. In addition to this Customs Collectors have been instructed to issue certificates on application by the shipper in respect of articles, the export of which is neither prohibited nor restricted. These certificates will be to the effect that there is no restriction on the exportation of the goods they cover. For these certificates also a fee of one rupee each will be levied.

I have, etc.,  
(Sd.) P. ECCLES,  
*Offg. Collector of Customs.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 28th January 1915.*

No. 588.

From

Rao Bahadur P. Theagaroya Chetty, B. A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Collector of Customs,  
Madras.

SIR,

I have the honour to state, with reference to your letter R. O. C. No. 3792/14, dated 19th December 1914, embodying the proposal of the Government of India to open a register at each Customs House of forward contracts for shipment to neutral countries, in view of the restrictions imposed or to be imposed on exports to such countries, that this Chamber is at one with the Government of India in thinking that a system of this kind would be of real advantage to shippers. At the same time, it is to be observed that while the proposed register may be expected to mitigate hardship generally, the qualifications indicated in para 2 of your letter are such as to considerably minimise the usefulness of the proposal, and a great deal will depend on how the system is actually worked.

I have, etc.,  
(Sd.) P. THEAGAROYA CHETTY,  
*President.*

—: o :—

## **Trading with the Enemy Act.**

PUBLIC DEPARTMENT,

*Dated Fort St. George, 30th December 1914.*

No. 7165-1.

The Government of India have under their consideration the desirability of undertaking legislation in this

country on the lines of the Bill (since passed into law, to amend the Trading with the Enemy Act, 1914, which was discussed in the House of Commons on the 20th November last (see the enclosed report of the proceedings from the *Times*). Before advising the Government of India on the need for such legislation in this Presidency, the Government desire to know whether there are concerns in this Presidency which have an appreciable number of German or Austrian shareholders and also whether there is much money due to Germans and Austrians which is likely to be paid unless more active steps to prevent its payment are taken. Mr. P. Theagaroya Chettiyar is accordingly requested to favour Government with his views and any information he may have on the subject. As the matter is urgent His Excellency the Governor in Council would be grateful for an early answer.

(Sd.) R. A. GRAHAM,  
for Chief Secretary.

M. R. Ry. P. Theagaroya Chetti Garu,  
President,  
Southern India Chamber of Commerce,  
Madras.

[ENCLOSURE.]

*The "Times", London, Saturday, the 21st November 1914.*

TRADING WITH THE ENEMY.

*Additional Provisions.*

The Attorney-General (Sir J. Simon) moved the second reading of a bill to amend the Trading with the Enemy Act, which was passed in September, by making further provision for preventing the payment of money to persons and bodies of persons resident or carrying on business in any enemy country. He said the original Act imposed very severe penalties on persons convicted of the offence of trading with the enemy, and dealt with firms and companies in this country which might need to be specially watched and supervised because of their predominately German character. The object of the amending bill was to

extend the law, in the light of the experience gained since it came into operation, by making it more effective in preventing the supply of financial aid to the enemy.

#### PUBLIC TRUSTEE AS CUSTODIAN.

The most striking feature of the new bill was the creation of an authority to receive and keep in safe custody in this country some portion, at any rate, of money and other forms of property which otherwise might find their way to the support of an enemy country. This authority for England and Wales would be the Public Trustee, who for the purposes of the bill would be called the Custodian of enemy property. As the ordinary activities of the Public Trustee were confined to England and Wales, special arrangements for the purposes of the bill would be made for Scotland and for Ireland. Any dividend, interest or share of profits which in a time of peace would have been paid to an enemy, or to a person whose address was in Germany or Austria were now to be given by the person, firm, or company by which it was payable to the Custodian, who would give a receipt for it and who would be responsible for it to the Treasury. It might be said that the bill could be defeated by companies whose predominant interest was not British but German or Austrian by the expedient of refraining from declaring a dividend or paying a profit. In order to meet that criticism, they went on to provide that the official appointed under the original Act should have the right in all proper cases to direct what was the proper sum to hand over to the Custodian, and even to the length of declaring what was the dividend that ought to be declared. In the next place, it was proposed that the Custodian should also be at liberty to receive—and indeed, be required to receive—every source of payment if application was made to the court for the purpose, and such application might properly be made by any private person interested. Then it was proposed that anybody in this country who held property in trust or collected the proceeds for an enemy, German, Austrian or Turk, should be required under penalty to declare that he did so.

What was the effect of paying a sum of money which would otherwise be due to the enemy to the Custodian? The effect was that the Custodian, by giving his receipt, would discharge the man who owed the money as between that man and his original creditor. When the Custodian had got in his hands property paid to him as representing some given enemy creditor, that property would, under the direction of the court, be available to pay this debt or that which was owed by the enemy creditor. He hoped it would be possible by this means to use property, dividends now in this country, belonging to a particular German in order to discharge that German's just debt to some one in this country. The receipt of the Custodian for any sum paid to him would be a sufficient discharge to the person paying the same as against the person or body of persons in respect of whom the sum was paid to the Custodian. In order to make plain not only to our own people, but also to neutrals, how we were dealing with enemy rights and the spirit in which it was desired to deal with the matter, the preamble set forth that the scheme of the bill was 'to preserve with a view to arrangements being made at the conclusion of peace, money and certain other properties belonging to enemies.' On the face of the bill, therefore, it was made plain that they were not engaged in any sort of confiscation. On the contrary, their object was to preserve this property and to preserve it to the end of the war in order that it might then be dealt with in manner that seemed fair and just.

## ASSIGNMENT OF DEBTS TO NEUTRALS.

There were other provisions of far-reaching effect which would make the law more stringent than it was. A German merchant in Hamburg might have a claim against a merchant in London. He could not enforce the claim while the war was going on. But what happened was that there was some transfer or assignment of the claim which the German had got to a neutral, Dutch, Italian, or Swiss, and the claim was put forward by a neutral against the London merchant for the payment of the debt. They ought to do what they could to stop that. He did not say that they would succeed in stopping it altogether, but he hoped clause 6, making invalid assignment of debt, etc., by enemies, would go a long way to do it. The same thing was true about Bills of Exchange. It would be a most foolish policy for us to destroy the great reputation which bills drawn upon London possessed. At the same time if they found a neutral bank endeavouring to collect a London acceptance which had been transferred to them for collection since the war began by a holder who was an enemy, that was a case which might properly be dealt with, so far as they could, and clause 6 would deal with it. Again, there were a great many Germans and Austrians in Germany and Austria who held shares in English companies. An enemy shareholder could not sell his shares to an Englishman but he could do so to a neutral. As the law now stood, he did not see how the Secretary of the English company could refuse to enter the neutral's name in place of that of the enemy. That was obviously a way in which German shareholders in English companies might be able to finance themselves. Therefore, they proposed to provide that no transfer made after the date when this bill was introduced by or on behalf of an enemy of any securities should confer on the transferee any rights in respect thereof and no entry should be made during the continuance of the war in the books of any company in the United Kingdom, of the transfer of a share or stock registered in the name of an enemy.

## TRANSFORMING GERMAN COMPANIES.

A number of enterprises which were German in character had endeavoured to transform themselves in a very strange way since the war by registering themselves at Somerset House in the form of an English company. In some cases the new company had been formed for the express purpose of taking over the German enterprise; in other cases, nothing had been said as to the reason. They proposed to provide that during the continuance of the war, when application was made to register a new company, the Registrar of Joint Stock Companies should have filed with him a statutory declaration made by a solicitor that the company was not formed for the purpose or with the intention of acquiring the whole or any part of the undertaking of an enemy. That would relieve the public mind from some very natural anxiety. Further, not only trading or attempting to trade, but 'offering' to trade was made an offence. The bill was the result of a great deal of consideration and conference, in which he had been assisted by members in all quarters of the House, and it was a sincere attempt to strengthen the law relating to trading with the enemy, without at the same time either confiscating or destroying enemy property on the one hand or doing a great injury to British trade on the other. It was easy for the public and the newspapers to insist on more stringent regulations but it should be borne in mind that extreme stringency might result in injury to our own workers. It was his opinion that all that the bill would effect could be done by



Proclamation, but he was disinclined to make use of the power of amending the law by Proclamation further than was absolutely necessary. The last clause of the bill made it clear that this legislation would not limit the right to prohibit by Proclamation any transaction not covered by the measure.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 28th January 1915.*

No. 587.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Chief Secretary to Government,  
Fort St. George.

SIR,

I have the honour to state in reply to your memorandum No. 7165-1, dated 30th December last, regarding the desirability of undertaking legislation on the lines of the Bill to amend the Trading with the Enemy Act, that in view of the very little direct trade which Indian merchants have had with enemy countries, the necessity for legislation, so far as they are concerned, is non-existent. My Committee is of opinion that the situation does not call for any action, at all events in this part of the country.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

## Indians on Madras Bank Directorate.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 5th March 1914.*

No. 4.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

Madras.

To

The Chief Secretary to Government,

Fort St. George.

SIR,

I have the honour to enclose two copies of the Memorandum of Evidence (Appendix A) (not printed) submitted by Mr. Vidya Sagar Pandya (Secretary, the Indian Bank, Ltd.) who was nominated by my Chamber to give evidence before the Royal Commission on Indian Finance and Currency.

2. I have the honour to enclose also a copy of the Resolutions (Appendix B) adopted by my Committee at their meeting held on the 11th February last, with reference to the evidence of Mr. Vidya Sagar Pandya.

3. I am to request that the Government of Madras may be pleased to give their earnest considerations to the importance of introducing the Indian element in adequate strength in the Bank of Madras' Directorate, which, my Chamber believes, can only be effected by means of an amending legislation of the Presidency Banks Act.

4. The observations of the Hon'ble the Finance Member made at the Imperial Legislative Council yesterday (2nd March 1914) in regard to the part played by the Presidency Banks as the Bankers' Banks in the

country, and the statement of his clear conviction that it will be impossible to assist banking institutions which desire assistance except through the Presidency Banks, emphasise all the more the point urged by my Committee and I am, therefore, to request that the Government of Madras may be pleased to invite in due course the attention of the Government of India to the need for securing by legislation an adequate strength of Indians in the constitution of the Directorate of the Presidency Banks.

5. I am also to suggest that pending the passing of such legislation as is above indicated, for the purpose of introducing an adequate number of Indians on the Board of the Bank of Madras, two seats on the Board may forthwith be made available for Indians under Section 24 of the Presidency Banks Act. It will be seen that the maximum number of Directors provided is 9 while there are at present only 7 Directors. The Bank of Madras may be desired to fill the two vacant seats at present by throwing them open to Indian candidates exclusively.

I have, etc.,

(Sd.) M. A. KUDDUS BADSHA,  
for *President*.

[ENCLOSURE.]

#### APPENDIX "B".

The following Resolutions were adopted at the meeting of the Executive Committee of the Chamber held on Wednesday the 11th February 1914:—

(a) RESOLVED that the Chamber do place on record their general concurrence with the opinions of Mr. Vidya Sagar Pandya (who was nominated by the Chamber to give his evidence) as expressed by him in his memorandum presented to the Royal Commission on Indian Finance and Currency on matters therein dealt with, and

(b) that in addition to drawing attention of the Government to the several points therein raised by Mr. Vidya Sagar Pandya in the matter of the Presidency Banks, the Chamber do specially urge to the great importance, desirability and justice of the Bank of Madras associating with their Board of Directors an adequate number of Indians unlike heretofore.

Resolved that the Chamber do offer its hearty thanks to Mr. Vidya Sagar Pandya for his valuable evidence before the Royal Commission on Indian Finance and Currency.

GOVERNMENT OF MADRAS,  
FINANCIAL DEPARTMENT.

No. 1798-1.

*Dated Fort St. George the 9th March 1914.*

From

C. Reilly, Esq.,

Asst. Secretary to the Government of Madras.

To

The President,

The Southern India Chamber of Commerce,

Madras.

SIR,

I am directed to acknowledge the receipt to-day of your letter No. 4, dated the 3rd March 1914, addressed to the Chief Secretary to Government and to state that the suggestions made therein will receive the consideration of Government.

I have, etc.,

(Sd.) C. REILLY,

*Asst. Secretary.*

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 16th May 1914.*

No. 90.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

Madras.

To

The Chief Secretary to the Government of Madras,

Stonehousehill.

SIR,

In continuation of my letter No. 4, dated 3rd March 1914, I have now the honour to communicate the

following resolution passed by the Committee of the Chamber at their meeting held on the 13th instant :—

“ Resolved that the attention of the Government of Madras and the Government of India be drawn to the official circular dated the 16th April 1914 issued by the Bank of Madras to their shareholders soliciting proxies in favour of the officers of the Bank, etc., with a view to prevent the introduction of Indians on the Board of Directors ”.

2. I beg to enclose also a copy of the circular referred to in the resolution (Appendix A).

3. In submitting the above resolution for the information of the Government, the Chamber humbly craves particular attention to the method adopted by the Bank of Madras to prevent the introduction of Indians on the Board. In the first place, in fairness to the shareholders whose opinion on the management of the Bank is sought and from whom proxies are solicited, they should have been put in possession of such portions of the memorandum of Mr. Vidya Sagar Pandya which the Bank describes as an attack, to enable them to come to a decision on the points involved, before making up their minds about the manner in which their interests have been safeguarded by the management. Beyond reprinting the resolution of the Chamber and drawing attention to its first clause by describing portions of the evidence as an attack, no attempt has been made to inform the shareholders fully about the matters in question. Secondly, the Chamber humbly submits that it is unfair on the part of the Bank of Madras to characterise the attempts of the Chamber as an effort to change the constitution of the Board, as it is calculated to alarm the shareholders into the belief that some very drastic changes are contemplated and thus prejudice their minds. Thirdly, the Chamber is humbly of opinion that it is quite improper on the part of the Bank of Madras to ask for proxies in this connection, and in such a matter, and that too in favour of their officers, etc. If the attempts of the Chamber did not commend themselves to the Bank, the proper

and more straightforward course for them to have followed was to put the shareholders in full possession of all the facts in question and, if need be, draw their attention to the inadvisability of the proposed changes and leave them free and unfettered to judge and vote as they chose at the next Annual General Meeting. Instead, the Bank of Madras has chosen to keep its shareholders ill-informed and to endeavour to commit them to its own view of the matter. This, the Chamber regrets to have to say, appears to be only a subtle device, under the guise of seeking for a vote of confidence, to secure the votes of shareholders (even of Indians themselves) against the introduction of Indians on their Board without informing them clearly and unambiguously the full bearing and purpose of the circular. Finally, the Chamber respectfully requests the attention of the Government to the appended extracts of Mr. W. B. Hunter (Appendix "B") before the Royal Commission in regard to the appointment of Directors for the Bank of Madras. That the statements made therein are in flagrant contradiction with the principle and policy underlying the circular is evident on the face of it. The Government are no doubt aware of the indignant protests which this ill-advised circular has called forth from the local Indian press (Appendix "C") (not printed).

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,

*President.*

[ENCLOSURES]

(Appendix "A")

*Madras, 28th April 1914.*

The Honorary Secretaries,  
Southern India Chamber of Commerce,  
Madras.

DEAR SIRs,

I beg to invite your attention to the enclosed Circular Letter issued by the Bank of Madras to their Shareholders which speaks for itself. I desire that the same may be placed before an early meeting of your Executive Committee for such action as they may desire to take in the matter.

Yours faithfully,

(Sd.) P. N. MUTHUSWAMI NAIDU.

29-4-14.

BANK OF MADRAS,  
*Madras, 16th April 1914.*

To.....

SIR,

I append copy of a Resolution passed by the Executive Committee of the South India Chamber of Commerce at a meeting held on the 11th February 1914. A portion of the Memorandum of evidence by Mr. Vidya Sagar Pandya referred to was an attack on the Board and Management of the Bank of Madras.

It would be unnecessary to take any notice of the matter if it were not that there is every reason to believe that a determined effort will be made to change the constitution of the Board when the election of Directors is before the next Annual General Meeting of Shareholders.

If therefore you are satisfied with the manner in which your Directors have safeguarded your interests, I shall be much obliged by your signing and returning the enclosed Proxy Form.

Yours faithfully,  
 (Sd.) W. B. HUNTER,  
*Secretary & Treasurer.*

(True Copy)

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RESOLUTION PASSED BY THE EXECUTIVE COMMITTEE OF THE  
 SOUTHERN INDIA CHAMBER OF COMMERCE, MADRAS, AT A  
 MEETING ON THE 11TH FEBRUARY 1914.

(a) "Resolved that the Chamber do place on record their general concurrence with the opinions of Mr. Vidya Sagar Pandya (who was nominated by the Chamber to give his evidence) as expressed by him in his Memorandum presented to the Royal Commission on Indian Finance and Currency on matters therein dealt with", and

(b) "That in addition to drawing the attention of the Government to the several points therein raised by Mr. Vidya Sagar Pandya in the matter of the Presidency Banks, the Chamber do specially urge the great importance, desirability and justice of the Bank of Madras associating with their Board of Directors an adequate number of Indians unlike heretofore".

(True Copy)

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BANK OF MADRAS.

X  
 Proxy for voting at the Annual General Meeting of Shareholders to be held on the 8rd August 1914.

I.....of.....a Shareholder in the Bank of Madras, hereby appoint the President for the time being of the Bank of Madras, or failing him the Vice-President for the time being of the said Bank, or failing him the

Secretary and Treasurer for the time being of the said Bank, or failing him the Deputy Secretary and Treasurer for the time being of the said Bank, or failing him.....to be my Proxy in my absence to vote in my name upon any matter proposed at the Annual General Meeting of the Shareholders of the said Bank to be held on Monday, the 3rd day of August 1914, or at any adjournment thereof, in such manner as such Proxy shall think proper.

As witness my hand this.....day of .....1914

(Please sign here).....

The President, Vice-President, Secretary and Treasurer and Deputy Secretary and Treasurer of the Bank have been inserted as Proxies in case you have no one in Madras to represent you, but anyone can be appointed a Proxy provided he is a Shareholder.

(True Copy.)

#### ✓ APPENDIX "B".

(Extracts from the oral evidence of Mr. W. B. Hunter)

The following are extracts from the oral evidence of Mr. W. B. Hunter, Secretary and Treasurer, Bank of Madras, before the Royal Commission on Indian Finance and Currency :—

6312. (Chairman.) Will you state first of all what your experience has been ?—I have been for 25 years in the service of the Bank of Madras, the last seven years of which I have been Secretary and Treasurer.

6313. You are resident in India ?—I am resident in India. Yes.

6585. (Sir Robert Chalmers.) Given Government responsibility, that would tend to the purpose that Sir Ernest Cable has in view ?—Even now the Presidency Banks have more or less that prestige. They are considered as Government Banks.

6586. Then what is the added prestige if there is that feeling already about the Presidency Banks ?—As I say, to a certain extent, not among the less enlightened portion of the people—if you take the Native States and the Native rajahs, they understand more clearly the true position.

6684. (Mr. Gladstone.) Sir Edward Law, in a minute which has been given to the Commission, dated in 1901, referred to the difficulty of securing a thoroughly suitable board of directors, having the necessary leisure to devote to the business of a State Bank. Do you agree in that ?—I do not think that difficulty is insuperable.

6685. It is the fact, is it not, that the business of the Presidency Banks is very largely controlled, and necessarily controlled by the managers and deputy managers, because the boards of directors are not men of leisure ; they are all occupied with their own business, and are quite unable to give much time to the business of the banks ?—That is so.

6686. Probably the managers of the Presidency banks exercise quite as much control as the managers of the exchange banks in India ?—I think so, quite.

6687. And the exchange banks have no boards in India ?—They have no boards in India.



6688. Do you not think that a much stronger board of directors would be obtainable in London supposing instead of having the head office in Calcutta, you had the head office in London, with the local boards, as you have suggested, in the Presidency towns?—A London board would lack the local knowledge, which is a very great thing.

6689. Could not a board be got together in London consisting of business men with full experience, of good financial position, and the necessary leisure to admit of their giving time as in the case of the Bank of England?—That would be possible, but against the London board I would suggest that the Indian board's interests would look to be more for the benefit of India than those of the London board. They would do to India's interests, more than the London boards are likely to do.

6691. But you have experience of your directorate and as I was a director myself I feel able to put the question? I think it is generally agreed that the directors of the Presidency Banks really have not got the time?—They cannot devote their whole time to the business of the bank and they cannot possibly have a thorough grip of the details.

6692. It would be almost impossible to get a satisfactory directorate of a large central bank so far as unofficial members are concerned in India?—I do not think you could get anything better in London. I do not think a board constituted in London could possibly have any better knowledge, or be able to control the real business of the bank, although they devoted their whole time to it. They would lack the local knowledge, which is a most important thing.

6743. (Sir Shapurji Broacha.) How many European directors have you on your bank?—Seven.

6744. And how many native directors?—There are none.

6745. Perhaps you know the same would be the case in a Central Bank. How many directors are there now who have been on the board for five years, say? Or I will put it in this way: Of the seven European directors that you have had in the Bank of Madras during the last five years, how many have left on furlough or have come back to England and left India altogether?—The directors are constantly changing.

6746. I suppose the European directors who come on the board are generally the heads of their firms?—Generally they are.

6747. So they come on the board at about the time when they take their furlough every year or every second year?—No, not so often as that as a general rule. It is usually every third year.

6750. It will come to this, that the Governor, that is the Secretary and Treasurer of the State Bank would alone be occupied in dispensing the native credits, unless you employed some great baboo who would dispense those credits?—I do not think we should be quite so out of touch as you suppose. Naturally a board must to a very large extent be influenced by the head of the Executive who has all the details before him.

6771. Why have you no native directors to give you some idea of the credits of the men in your Presidency; natives are shareholders?—A large proportion of the shares of the Bank of Madras are held by Europeans, and no native directors have been appointed by the shareholders; in fact I do not think that there has been certainly not within my recollection a native director proposed.

6772. Have these directors a large interest in shares, or are their interest nominal?—As a rule?

6773. Have they 20 or 30 shares only, and is it sometimes said that they have got those shares after appointment?—The directors have naturally to hold their qualifying shares: beyond that I do not think I am entitled to say, how many shares they hold.

6983. (Mr. Keynes.) How are your directors appointed at present?—By the shareholders.

6984. Are they in fact appointed in that way, or is it, as is often the case in England, that the existing directors nominate their successors?—If a director retires in the course of the year, the vacancy is filled up by the directors, but at every annual meeting two directors retire, and it is open to the shareholders to re-elect them or not.

6985. Is there any difficulty in getting the best available talent?—No, in my opinion we get the best available talent in Madras in this matter.

6986. You do not find cases in which men who would be exceedingly suitable cannot find the time for the work?—No, we have not found it so. It is considered an honour to be on the Board of the Bank of Madras, and the best men are always available to take it up.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 18th May 1914.*

No. 91.

From

Rao Bahadur P. Theagaroya Chetti Garu, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to the Government of India,  
Finance and Commerce Department,  
Simla.

Through

The Chief Secretary to the Government of Madras,  
Stonehousehill.

SIR,

I have the honour to enclose copies of communications addressed by me to the Government of Madras, on the subject of the introduction of Indians into the Bank of Madras' Directorate, together with certain enclosures.

2. I am to add that the subject was discussed by the Chamber with the Hon'ble Sir William Meyer, while he was in Madras in April last, and to request that the matter may receive the consideration of the Government of India in due course.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

*Enclosures :—*

Copy of letter from the Chamber to the Govern-  
ment of Madras

d/5-3-1914

” ” ” ”

d/16-5-1914

with enclosures.

GOVERNMENT OF MADRAS,  
FINANCIAL DEPARTMENT.

*Dated Ootacamund the 13th May 1914.*

No. 329.

From

The Hon'ble Mr. A. Butterworth, I.C.S.,  
Ag. Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

In reply to your letter No. 4, dated the 3rd March 1914, and in continuation of Mr. Reilly's letter No. 1798, dated the 9th March 1914, I am directed to say that the provisions of Section 24 of the Presidency Banks Act, 1876, under which the Directors of the Presidency Banks

are elected by the vote of a special General Meeting, are based upon the principle that the shareholders of the Bank are the best judges of who should direct the affairs of their Bank. You will observe from Section 27 of the Act that no person is qualified to serve as a Director of the Bank unless he possesses a certain stake in the Bank. Similarly, no person is eligible to vote for the election of a Director unless he likewise possesses a certain qualification as a shareholder. The Government do not consider that any sufficient reason has been shown for interference with this principle. It would be an entirely novel procedure to base the composition of a Board of Directors of one of the Presidency Banks on racial grounds. If the principle were admitted that a particular section of the population can claim to be represented on the Board of a commercial institution such as the Presidency Bank on the ground of race or religion, demands might follow for similar representation in the case of other corporations having important relations with the public, such as the Railway administration, the Tramway and Lighting Companies and the like. His Excellency the Governor in Council cannot believe that the South Indian Chamber of Commerce would on further reflection advocate such an intrusion of racial or religious considerations into business concerns and sees no reason why the Presidency Banks should be selected for exceptional treatment.

2. I am further to observe that, as the enclosure to your letter shows, a considerable number of shares in the Bank of Madras are already held by Indians who are at liberty to utilise their voting powers under the Act for the election of an Indian as Director should they desire to do so. It also does not appear that there is anything to prevent Indian shareholders from buying further shares as they come upon the market so as to acquire a larger influence in the management of the Presidency Banks. If this is so, the Indian shareholders have already the remedy in their own hands and if they have not cared to secure a sufficient number of shares to enable them to control the election of a Director to the Board of the Bank they are presumably satisfied with the present position.

nor is it apparent upon what grounds the Government could reasonably or with justice intervene and force upon the shareholders of the Bank a Director whom they have not selected. For these reasons, His Excellency in Council is not prepared to move the Government of India to undertake the amendment of the Act in the direction you propose, while, with regard to the suggestion in paragraph 5 of your letter, I am to point out that there is no power vested in the Government by Section 24 which would enable them to interfere with the appointment of the Directors of the Bank of Madras.

I have, etc.,  
(Sd.) B. LAVILLE,  
for *Chief Secretary*.

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GOVERNMENT OF MADRAS,  
FINANCIAL DEPARTMENT.

G. O. No. 389 dated 9th June, 1914.

Read the following papers :—

I

G. O. Nos. 328-9, Financial, dated 13th May 1914.  
„ 387-8, „ „ 9th June 1914.

II

From the President, South Indian Chamber of  
Commerce,

To the Government of Madras,

Dated 18th May 1914.

No. 91.

Order :—

The letter from the President, the Southern India Chamber of Commerce, Madras, read above, will be forwarded to the Government of India, Finance Department.

(True extract)

A. BUTTERWORTH,  
*Ag. Chief Secretary*.

Forwarded to the President, Southern India Chamber of Commerce.

(By order)

(Sd.) P. GOVIND MENON,

*Superintendent in Charge,  
Chief Secretariat.*

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GOVERNMENT OF MADRAS,  
FINANCIAL DEPARTMENT,  
*Dated Ootacamund, the 9th June 1914.*

No. 388.

From

The Hon'ble Mr. A. Butterworth, I.C.S.,  
Ag. Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

With reference to your letter No. 90, dated the 16th May 1914, I am directed to refer you to my letter No. 329, dated the 13th May 1914, in which were fully explained the reasons which prevented His Excellency the Governor in Council from interfering in the appointment of the Directors of the Bank of Madras.

I have, etc.,

(Sd.) T. J. TASKER,  
*for Chief Secretary.*

Extracts from the proceedings of the Meeting of the  
Executive Committee of the Southern India Cham-  
ber of Commerce, held on Wednesday the 17th  
June 1914 at 5-30 p. m.

READ letter from Mr. M. A. Subhan giving notice of  
a proposition to be moved on the subject.

RESOLVED that the letter of the Government of  
Madras dated 13th May 1914 be recorded.

RESOLVED that as the Government of Madras have  
declined to accede to the request of the Chamber, early  
steps be taken to move the Government of India in the  
matter.

RESOLVED that a Committee consisting of

- (1) The President,
- (2) The Secretaries,
- (3) Mr. Vidya Sagar Pandya,
- (4) Mr. P. N. Muthuswami Naidu,

and (5) Mr. C. Srinivasachariar, be formed to give  
effect to the above Resolution.

GOVERNMENT OF MADRAS,  
FINANCIAL DEPARTMENT,

*Dated Ootacamund the 18th August 1914.*

No. 563.

From

The Hon'ble Mr. A. Butterworth, I.C.S.,  
Ag. Chief Secretary to the Government of  
Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

In continuation of the correspondence ending with  
G. O. No. 389, Financial, dated the 9th June 1914, on  
the subject of the introduction of Indians into the  
Directorate of the Bank of Madras, I am directed to

inform you that the Government of India have intimated that after careful consideration of the Chamber's representations they endorse fully the views expressed by this Government in my letter to you No. 329, Financial, dated the 13th May 1914.

I have, etc.,  
(Sd.) B. LAVILLE,  
*for Chief Secretary.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 18th September 1914.*

No. 284.

From

Rao Bahadur P. Theagaroya Chetty Garu, B.A.,  
President,  
The Southern India Chamber of Commerce,  
Madras.

To

The Accountant-General,  
Fort St. George, Madras.

SIR,

In his Memorandum on the Location and Management of the General Balances of the Government of India, Command Paper No. 7070 page 2, Mr. L. Abrahams, C. B., Assistant Under Secretary of State for India, gives a summary of the agreement of 1898 and adds that the revision of the agreements between the Government of India and the Presidency Banks is under consideration. Possibly, the revised agreements have since been concluded. I would, therefore, request you to let me know how the matter stands now, and to favour me with a copy of the new agreement with the Bank of Madras, if it has been concluded, and a copy of the agreement of 1898, which it should have superseded. If the matter of the revision of the agreement is still pending conclusion, I shall be thankful for a copy of the draft agreement together with the subsisting agreement.

I have, etc.,  
(Sd) P. THEAGAROYA CHETTY,  
*President.*



FORT ST. GEORGE,  
25th September 1914.

No. Res. 31/12860.

From

K. L. Datta, Esq., M.A.,  
Accountant-General, Madras.

To

The President,  
The South India Chamber of Commerce,  
Madras.

SIR,

With reference to your letter No. 284 dated 18th September, 1914, I have the honour to state that I have no information, regarding any revision of the agreement between the Government of India and the Bank of Madras. I would, therefore, suggest that you should apply to the Financial Department of the Government of India for any information you may require on the subject.

I have, etc.,  
(Sd.) K. L. DATTA,  
Accountant-General.

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
Madras, 29th September 1914.

No. 286.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,

The Southern India Chamber of Commerce,  
Madras.

To

The Secretary to the Government of India,  
Finance Department.

Through

The Government of Madras,  
Stonehousehill.

SIR,

I have the honour to enclose copies of correspondence I have had with the Accountant-General, Madras, on the

subject of the proposed revision of the agreement between the Government and the Bank of Madras, and to request that you may be so good as to favour me with a copy of the new agreement with the Bank of Madras if it has been concluded, and a copy of the agreement of 1898. If the revision of the agreement is still pending conclusion, I beg that a copy of the draft agreement together with the subsisting agreement may be furnished.

I beg, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 29th September 1914.*

No. 285.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
President,  
The Southern India Chamber of Commerce,  
*Madras.*

To

The Accountant-General,  
*Madras.*

SIR,

Adverting to your letter No. Res. 31/12860 dated the 25th September 1914, may I request you to be so good as to favour me at least with a copy of the agreement now in force. I am in correspondence with the Government of India as regards the proposed new agreement, as kindly suggested by you.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

FORT ST. GEORGE,  
5th October 1914.

No. Res. 13430.

From

K. L. Datta, Esq., M.A.,  
Accountant-General, Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

With reference to your letter No. 285 dated 29th September 1914, I have the honour to state that I have no spare copy of the agreement now in force between the Government of India and the Bank of Madras.

I have, etc.,  
(Sd.) K. L. DATTA,  
*Accountant-General.*

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THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 10th October 1914.*

No. 295.

K. L. Datta, Esq., M.A.,  
Accountant-General,  
Fort St. George.

DEAR SIR,

Adverting to your letter No. Res. 31/13430 dated 5th October 1914, may I request you to be so good as to let me have the copy of the agreement with you for a while and I shall return the same as soon as I have done with it.

Thanking you in anticipation,

Yours faithfully,  
(Sd.) P. THEAGAROYA CHETTY.

FORT ST. GEORGE,  
16th October 1914.

No. Res. 31-14448.

From

K. L. Datta, Esq., M.A.,  
Accountant-General, Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

With reference to your letter No. 295 dated 10th October 1914, I regret to state that I am unable to send you the copy of the Bank's agreement in use in my office. As I suggested to you before you should apply to the Government of India, in the Finance Department, for a copy of the agreement.

I have, etc.,  
(Sd.) K. L. DATTA,  
Accountant-General.

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GOVERNMENT OF MADRAS,  
FINANCIAL DEPARTMENT.

*Dated Fort St. George the 24th November 1914.*

No. 8138-1

From

The Hon'ble Mr. A. Butterworth, I.C.S.,  
Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

With reference to your letter No. 286 dated the 29th September 1914 applying to the Government of

India for a copy of certain agreements between Government and the Bank of Madras, I am directed to inform you that the agreements are essentially confidential papers and the Government of India regret that they cannot supply copies. I am to add that the agreement with the Bank of Madras has not been revised since 1898, nor is the question of its revision at present under discussion.

I have, etc.,  
(Sd.) B. LAVILLE,  
for *Chief Secretary*.

—: o :—  
**Free Gold Coinage in India.**

INDIAN BANK BUILDINGS,  
*Madras, 8th May 1914.*

The Honorary Secretaries,  
The Southern India Chamber of Commerce,  
Madras.

DEAR SIRs,

I am sending you herewith enclosed a letter from Mr. Kaikabhai Premchand. I hope you will address the Government about the Royal Commission's Report on Indian Finance and Currency when this letter may be considered.

Yours faithfully,  
(Sd.) VIDYA SAGAR PANDYA.

[ENCLOSURE.]

*Bombay, 30th April 1914.*

My dear Mr. Pandya,

I have received a copy of your evidence on the Indian Finance and Currency Commission. I am quite pleased to see your taking an important matter like Free Gold Coinage in India. I totally agree with you on these points. You must have read the dissent of Sir James Begbie with whom, I believe, you concur and I shall be glad to know the opinion of the Madras Public on this point. It would be in the interests of the country to agitate and pass a resolution in favour of

Sir James Begbie's dissent on this point and I should like to know whether any movement has been made on your side for the same. I believe, this is the right time to let the Government know that the country is quite in favour of Free Gold Coinage and do not agree with the majority of the Commissioners, and if this is not done this year, I think the Government will believe that the country at large does not require or need any Gold Currency and I shall be glad to have your opinion on the subject,

and with kind regards,

I am, etc.,

(Sd.) KAIKABHAI PREMCHAND.

INDIAN BANK BUILDINGS,

*Madras, 15th June 1914.*

The Secretary,

The Southern India Chamber of Commerce,

*Madras.*

DEAR SIR,

RE : GOLD CURRENCY.

With reference to my previous letter enclosing a letter from Mr. Kaikabhai Premchand, he writes to me in his letter of the 13th instant as under :—

“Has the Southern India Chamber of Commerce moved the matter of gold currency as mentioned in my previous letter. Please let me know any developments in this matter”.

I shall feel obliged if you will kindly place the matter for early consideration by your Chamber.

Yours faithfully,

(Sd.) VIDYA SAGAR PANDYA.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,

*Madras, 20th July 1914.*

No. 202.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,

President,

The Southern India Chamber of Commerce,

To

*Madras.*

The Chief Secretary to Government,

Stonehousehill.

SIR,

I have the honour to invite your attention to the announcement made some time ago in the Daily Press

that Provincial Governments, Chambers of Commerce and other public bodies are being consulted by the Government of India on the subject of the Indian Currency Committee's Report. As this Chamber has not as yet had a reference on the subject either from the Government of Madras or the Government of India, I am to request that you will be good enough to have this Chamber included in the list of bodies consulted, especially in view of the fact that a representative of the Chamber was selected to give evidence before the Royal Commission.

2. I may also call attention to the announcement in regard to the proposed usury law for India. I trust the text of the letter from the Government of India will be referred to this Chamber in due course.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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FINANCIAL DEPARTMENT,

*Dated Ootacamund, 27th July 1914.*

No. 4853-1.

From

The Chief Secretary to Government.

To

The President,

The Southern India Chamber of Commerce,  
Madras.

SIR,

I have the honour to acknowledge receipt of your letter No. 202 dated the 20th July 1914, which will receive due attention.

I have, etc.,

(Sd.) B. LAVILLE,  
*for Chief Secretary.*

## Royal Commission on Indian Finance and Currency.

FINANCIAL DEPARTMENT,

*Dated Ootacamund, 18th Aug. '14.*

No. 4994-2.

From

The Hon'ble Mr. A. Butterworth, I.C.S.,  
Ag. Chief Secretary to the Government of  
Madras.

To

The President,  
The Southern India Chamber of Commerce.

SIR,

I am directed to forward a copy of the letters from the Government of India, Finance Department, Nos. 982 F. and 983 F. dated the 22nd July 1914, together with a copy of the final Report of the Royal Commission on Indian Finance and Currency, and to request that the Government may be favoured with an expression of the opinion of the Chamber not later than the 10th September, 1914.

I have, etc.,  
(Sd.) B. LAVILLE,  
for *Chief Secretary*.

[ENCLOSURE.]

GOVERNMENT OF INDIA.—FINANCE DEPARTMENT.

No. 982-F.

ACCOUNTS AND FINANCE.  
PAPER CURRENCY.

*Dated Simla, the 22nd July 1914.*

From

The Hon'ble Mr. J. B. Brunyate, C.I.E., I.C.S.,  
Secretary to the Government of India.

To

All Local Governments and Administrations.

SIR,

I am directed to address you regarding the recommendations of the Royal Commission on Indian Finance and Currency.



2. Previous to the appointment of the recent Commission, the problems connected with Indian currency had last been dealt with authoritatively by what is known as the "Fowler Committee" of 1898. The deliberations of that Committee took place a few years after the closing of the Indian mints to the unrestricted coinage of silver, the time was transitional, and many of their recommendations were necessarily of a tentative and experimental character. The Report now before the Government of India is a weighty pronouncement on the policy and the measures which have gradually been evolved in pursuance of the Fowler Committee's suggestions and as the outcome of extended practical experience in the working of a Gold Standard system. It emphatically confirms what has been the fundamental basis of the Indian Currency policy of the last twenty years, namely, the maintenance of the gold value of the rupee by the restriction of rupee coinage and by the accumulation of gold reserves, and the substantive recommendations which it contains relate, accordingly, less to matters of fundamental principle than to the practical details of financial and Currency administration. In view of the facts that, while some of those details are of a technical nature, others intimately affect the commercial life of the country, and that the Commission did not visit India and were only able to examine a limited number of witnesses therefrom, the Government of India consider it desirable to afford an opportunity to the local Governments and the principal commercial bodies in the country to submit an expression of opinion on any points to which they desire the special attention of the Government of India to be called, before the latter transmit to the Secretary of State their own views on those portions of the Report on which his Lordship has consulted them.

3. The Commission's recommendations are of two classes, firstly, those concerning such matters as the conduct of Indian financial administration in London, the relations of the India Office with the Bank of England, and the financial organization and procedure of the India Office, and secondly, those which more nearly concern the Government in this country. Some of the more important of this second class of questions are enumerated below :—

- (1) The use of gold in internal circulation.
- (2) The limit, if any, to be placed on the growth of the Gold Standard Reserve, and the questions of its location and constitution.
- (3) The treatment of the Paper Currency Reserve.
- (4) The question whether the Government of India should now publicly notify their readiness to sell sterling bills in India on London at the rate of  $1s. 3 \frac{29}{32}d.$  whenever they are asked to do so.
- (5) The use and location of the Treasury balances, and the advisability of granting loans therefrom.
- (6) The desirability of increasing the amount of Government's rupee loans.
- (7) The sale of Council Bills in excess of the Secretary of State's immediate requirements, or at a rate below  $1s. 4d.$
- (8) The question of appointing a small expert body, with instructions either to pronounce definitely against the establishment of a State or Central Bank in India or to formulate a definite scheme for its establishment.

'The above summary is not exhaustive, and, in particular, omits the question of the establishment of a gold mint, regarding which a separate communication is being addressed to your Government. On the other hand, it includes one or two matters, such as those referred to in clauses (6) and (4) above, on which the Government of India have either taken action already or may find it convenient to do so in anticipation of the replies to the general reference which is now being made.

\* 4. The Government of India are addressing the Presidency Banks and certain Chambers of Commerce direct and are requesting them to send their replies through the Local Government. I am to request that, with the permission of His Excellency the Governor in Council, the Southern India Chamber of Commerce may also be consulted by the Local Government and its views included in your reply.

5. I am to explain, in conclusion, that the Government of India do not ask for, though they in no way deprecate, an exhaustive examination of the ground covered by the Royal Commission's Report. Their object in addressing your own and other Local Governments on the subject as well as the leading commercial authorities, is, as already indicated, to obtain expressions of opinion of the particular points to which each authority addressed may have reason to attach special importance, or on which such authority may be specially competent to advise. The Government of India will be glad, also, if these opinions can be submitted without avoidable delay. The report has now been before the public for several months. It has already been closely scrutinised and widely discussed; and it is desirable to proceed to an early decision on the main issues involved. It is hoped, therefore, that the reply to this letter will be submitted not later than the 15th October next.

I have, etc.,

(Sd.) J. B. BRUNYATE,

*Secretary to the Government of India.*

GOVERNMENT OF INDIA.—FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.

MINT.

No. 983-F.

*Simla, the 22nd July 1914.*

From

The Hon'ble Mr. J. B. Brunyate, C.I.E., I.C.S.,

Secretary to the Government of India.

To

All Local Governments and Administrations.

SIR,

In continuation of my letter No. 982-F. of to-day's date, I am directed to invite an expression of the views of His Excellency the Governor in Council, as to the desirability of establishing a gold mint in India.

2. This question came under the consideration of the Royal Commission on Indian Finance and Currency, who, in paragraph 73 of their Report, while expressing their inability to recommend on its merits the establishment of a gold mint, nevertheless saw no objection thereto in principle, provided that Indian sentiment genuinely demanded it, that the Government of India were prepared to incur the expense, and that the coin to be minted should be the sovereign or half-sovereign. In the opinion of the Commission the question is pre-eminently one in which Indian sentiment should prevail, and the Government of India's present enquiry is, therefore, primarily directed towards ascertaining whether there is any considerable body of Indian sentiment which desires the establishment of a mint for the coinage of sovereigns or half sovereigns.

3. I am to enclose, for convenience of reference, an extract from the section of the Commission's Report (paragraphs 69-73) which deals with this question, and also a copy, with connected papers, of a note which was submitted to the Commission on the question of the probable cost of such a mint (paragraph 12 of Appendix VI of Appendices to the Interim Report, Volume 1, page 215, with extract from Parliamentary Paper 495 of 1913). The estimate here referred to is, however, of old date and no authoritative recalculation has since been made.

\* 4. The Government of India are addressing the Presidency Banks and certain Chambers of Commerce direct and are requesting them to send their replies through the Local Government. I am to request that, with the permission of His Excellency the Governor in Council, the Southern India Chamber of Commerce may also be consulted by the Local Government, and their views included in your reply.

5. I am to ask for the favour of a reply not later than October 15th next.

I have, etc.,

(Sd.) J. B. BRUNYATE,

*Secretary to the Government of India.*

Extract from the final Report of the Royal Commission on Indian Finance and Currency.

(b) Proposed Gold Mint for India.

69. It will be convenient to deal at this point with the question of the opening of a mint for the coinage of gold in India. This proposal has been recommended on the ground that it would facilitate a flow of gold to India and that the mere fact of gold being coined in India would give confidence in the permanence and stability of the policy recommended by the Committee of 1898. Both these considerations have lost much of whatever weight they originally carried. Gold has flowed freely to India in recent years without this stimulus and we doubt whether any more could have been attracted by mere facilities for coinage.

70. Nor do we believe that the opening of such a mint would be of value at this date in winning public confidence in the stability of the exchange value of the rupee. This consideration had its force in 1899 and 1900, but the experience of 1907-8, the growth of the Gold Standard

Reserve, and the whole trend of policy and opinion since 1898, leave no doubt as to the determination of the Government to maintain exchange, and in so far as confidence in their power to do so is lacking, it must be secured by measures which will make a real and not merely an imaginary addition to the resources available for this purpose.

71. More recently the idea of a gold mint has been pressed on the ground that it would increase the amount of gold in circulation. Even if we thought this in itself desirable, we are unable to follow the supposed connection between the end in view and the means recommended for securing it. The people of India can obtain under present conditions as much gold as they desire for currency purposes. Indeed the more usual difficulty is that gold coin is in greater abundance in the Reserves than is required for internal circulation. But even if this were not so, the mere existence of a mint for the coinage of gold could not add to the amount of gold available for currency purposes, and the idea that such a mint would give India an "automatic" currency, in any sense which is not true of the existing power to import sovereigns at will, appears to us to be wholly without foundation.

72. Nor is it likely that the facilities for converting gold bullion into coin which such a mint would provide would have any appreciable effect on the amount of gold withdrawn from circulation or would encourage gold to come out of hoards in unfavourable seasons. It is quite true that at times of famine and distress gold must come out of hoards, but we see no reason for believing that the amount so forthcoming would be increased by the opening of a mint for gold. The public in any case would secure equal advantages if the Government of India were to renew the notification, withdrawn in 1906, of their readiness to receive refined gold at the Bombay Mint in exchange for notes or rupees.

73. In our opinion, if this were done, it would remove the only practical grievance which can be alleged against the present system in this respect and would render wholly unnecessary the opening of a mint for the coinage of gold. We recognise, however, that there is in some quarters a strong, though a by-no-means unanimous wish, that such an opening should take place. The authority of the Committee of 1898 can be cited in its support and there is said to be a strong sentiment in its favour. We find it difficult to judge accurately of the depth and extent of this feeling. For the reasons already given we do not ourselves share it and we cannot recommend on its merits the establishment of a gold mint in India. But if Indian sentiment genuinely demands it, and the Government of India are prepared to incur the expense, there is, in our opinion, no objection in principle either from the Indian or the Imperial standpoint, provided always that the coin to be minted is the sovereign (or the half-sovereign); and it is pre-eminently a question in which Indian sentiment should prevail. If, however, the final decision be against the opening of a gold mint, we recommend that the notification of the Government's readiness to receive refined gold at the Bombay mint should be renewed on suitable terms.

Extract from a note on proposals for the coinage of gold in India submitted to the Royal Commission on Indian Finance and Currency by Mr. L. Abrahams, C. B., Assistant Secretary of State for India. (Appendix VI of Appendices to the Interim Report—Volume I.)

12. No estimate has been framed of the cost of establishing an Indian mint for the coinage of sovereigns. An approximate statement of the staff required for a mint capable of coining £2,000,000 a year was drawn up in 1900, and will be found on pages 40 to 42 of the Parliamentary Paper. It will be seen that it includes a superior controlling staff of seven Europeans and five Indians, and a subordinate working staff of 43. The establishment charges (including contingencies and pensions) of other branch mints of similar capacity were in 1911 as follows:—

	Coinage.	Charges.	
	£	£	
Sydney ... ..	2,645,000	15,157	(Page 127 of Report of Deputy Master of Royal Mint).
Melbourne ... ..	2,851,000	15,721	(Page 137)
Perth (excluding pensions) ... ..	4,438,000	20,178	(Page 151)

The Australian branch mints recover a substantial portion of their expenditure by the levy of charges for the coinage of gold as allowed by Section 11(8) of the Coinage Act of 1870. The view that has always been taken in discussions regarding a branch mint for the coinage of gold in India has been that there should be no corresponding charge in any such mint.

Estimate of the cost of establishment required for a branch gold mint at Bombay prepared by Mr. Barton for the Royal Mint in 1900. (Extract from Parliamentary Paper 495 of 1913.)

#### PROPOSED SUPERIOR CONTROLLING STAFF OF BRANCH MINT, BOMBAY.

1 Deputy Master and Superintendent.

#### BULLION OFFICE.

One Accountant and Chief Clerk, who, under the supervision of the Deputy Master and Superintendent, would be responsible for the receipt and issue of gold, and for the correspondence of the Mint—European.

Two Clerks, who would keep the books.—Natives.

One Bullion Keeper, who, under the supervision of the Accountant and Chief Clerk, would receive the gold, and would be primarily responsible for its safe custody until delivered to the Melter, and who would personally check the allegation of the standard pots in the Bullion Office balance, and then deliver the same to the Melter at the Melting House balance in the presence of the Melter.—Native.

# MELTING DEPARTMENT.

One Melter, who, under the supervision of the Deputy Master and Superintendent, would direct the operations of his Department, and be responsible to the Deputy Master and Superintendent for the bullion in his Department.—European.

One Clerk, who would keep the books of the Department.—Native.

# COINING DEPARTMENT.

One Superintendent-Engineer of Coining Department, who, under the supervision of the Deputy Master and Superintendent, will direct the operations of rolling, adjusting, cutting, annealing and coining.—European.

One Balance Mechanician, who, under the supervision of the Superintendent-Engineer, will be responsible for the weighing by the automatic balances, and for all balances and weights in the Mint, and would take the place of the Superintendent-Engineer if necessary.—European.

One Assistant Bullion Keeper, who, under the direction of the Superintendent-Engineer, and Bullion Keeper will be responsible for the bullion while in the cutting, annealing, coining, and weighing rooms, and will keep the books of the room.—Native.

One Assistant Bullion Keeper, who, under the direction of the Superintendent-Engineer, and Bullion Keeper, will be responsible for the bullion while in the rolling and adjusting room.—Native.

# ASSAY DEPARTMENT.

- 1 Chief Assayer.
- 1 Assistant Assayer.

# SUMMARY.

- 1 Deputy Master and Superintendent.—*European*.
- 1 Accountant and Chief Clerk.—*European*.
- 1 Melter.—*European*.
- 1 Superintendent-Engineer of Coining Department.—*European*.
- 1 Balance Mechanician.—*European*.
- 1 Bullion Keeper.—*Native*.
- 2 Assistant Bullion Keepers.—*Natives*.
- 2 Clerks.—*Natives*.
- 1 Chief Assayer.—*European*.
- 1 Assistant Assayer.—*European*.

R. B.

# PROPOSED SUBORDINATE WORKING STAFF—NATIVES.

## BULLION OFFICE.

- 2 Messengers.

## MELTING DEPARTMENT.

- 6 Furnace Men.

## COINING DEPARTMENT.

- 6 Men, rolling and adjusting mills.
- 7 Men, cutting presses.
- 2 Men, washing machine.

- 2 Men, annealing.
- 2 Men, marking and weighing.
- 3 Men, coining presses.
- 1 Engine Driver.
- 3 Men, firemen.
- 1 Fitter.

## ASSAYE DEPARTMENT.

- 8 Firemen.

The above numbers of the working staff are only approximate, and would be subject to alteration at the discretion of the Deputy Master.

R. B.

## LIST OF MACHINES BEING DRIVEN BY 25-HORSE ENGINE.

## WEST COINING DEPARTMENT.

- 12 Lever coining presses.
- 1 Packing machine (Examining coin).
- 1 Emery wheel (for grinding tools).

## EAST COINING.

- 7 Screw coining presses (vacuum).
- 1 Packing machine.

## ADJUSTING DEPARTMENT.

- 8 Pairs of rolls (10 inch diam).
- 2 Lathes for turning punches and dies.
- 1 Emery wheel.

## CUTTING DEPARTMENT.

13 Cutting presses (10 fitted with automatic feed cutting two rupees blanks at each stroke).

- 4 Circular files (for trimming edges of straps).

## WEIGHING DEPARTMENT.

- 68 Automatic weighing machines.
- 4 Edging machines (marking).
- 2 Filing machines (reducing blanks).
- 1 Counting machine.
- 1 Lathe.

## ANNEALING DEPARTMENT.

- 1 Emery wheel.
- 1 Rouleaux machine.

R. B.

ARTICLES WHICH COULD BE TRANSFERRED TO THE NEW BRANCH  
MINT WITHOUT CRIPPLING THE BOMBAY MINT.

- 1 Dragbench.
- 1 Trial cutting press.
- 3 Watt's lever coining presses.
- 6 Automatic balances.

THE SOUTHERN INDIA CHAMBER OF COMMERCE,  
*Madras, 12th September, 1914.*

No. 276.

From

Rao Bahadur P. Theagaroya Chetty, B.A.,  
 President,

The Southern India Chamber of Commerce,  
 Madras.

To

The Chief Secretary to Government,  
 Stonehousehill.

SIR,

I have the honour to acknowledge receipt of your letter No. 4994-2 Financial, dated 18th August 1914, enclosing letters from the Government of India, Finance Department, Nos. 982 F and 983 F, dated 22nd July 1914, and inviting the opinion of this Chamber on the recommendations of the Royal Commission on Indian Finance and Currency.

2. Since the date of the reference from the Government of India, great events have happened. The London Money Market, the great centre of World's Finance, has been greatly disturbed. The London Stock Exchange was closed all on a sudden one morning. The discount rate of the Bank of England rose to 10 per cent. The situation became so serious that the Government of the United Kingdom had to intervene. The Bank Act was suspended though it was admitted that it was not necessary to suspend Specie payments. Treasury Notes of £1 and of 10s. were issued by the million. The Bank of England was persuaded to reduce its rate of interest from 10 to 6 per cent. A moratorium was declared and was subsequently extended. Every endeavour was made for economising the supply of gold.

3. These extraordinary disturbances were bound to have their effect on the Indian Money Market. The Indian Exchange Banks in turn stopped their transactions. The Calcutta and Bombay Stock Exchanges



closed their doors and there was a general suspension of exchange and stock business all over the country. No bills were sold on private account. The Government of India stepped in and offered to support exchange by all means in their power. They announced their intention to sell sterling bills on London up to a limit of one million pounds a week at  $1-3\frac{2}{3}d.$  per rupee.

4. Nor was this all. Apprehending a prolonged period of weakness of exchange and the necessity for keeping up the sale of sterling bills on London from this country, the Government of India, with a view to conserve all available sources and reserve gold absolutely for the support of exchange and the requirements of the Secretary of State, restricted the issue of gold from the Currency Offices and the Treasuries. On the 5th August, they altogether prohibited the issue, though as already stated specie-payment was not suspended in England. Having taken these measures to prevent the collapse of exchange, they have also been operating upon their Paper Currency and Gold Standard Reserve. On the 31st July, there was a reserve of 6 crores of rupees in India in the Gold Standard Reserve. This has since been replaced by four million pounds in gold from the Paper Currency Reserve. There have been some additions to this amount by means of the reverse telegraphic transfers paid in London ; and on the 31st August, the amount of Gold Standard Reserve in India was 9.53 crores in value and in the shape of sovereigns. The Paper Currency Reserve has been manipulated on an even larger scale. The Note circulation has been reduced by about 10 crores. The reserve of Gold in the Paper Currency Reserve in India and England has been reduced, while the volume of silver currency in India has been increased by about 4 crores. These changes have been carried out simultaneously.

5. It has been asserted by responsible men on behalf of the Presidency Banks that their balances have never been so large and that the financial position of the country as a whole has never been so sound. In Bengal, the question of a moratorium was mooted and abandoned

as uncalled for under the circumstances. In Bombay, the protestations regarding the cash balances of the Banks were the loudest. "If there is one country in the world which is in a favoured position at the present time, that country in my opinion, is India", said the Hon'ble Mr. Graham at the Annual Meeting of the Shareholders of the Bank of Bombay. In Madras, the Chairman of the local Bank observed on a similar occasion that he was assured that the Exchange Banks had ample funds available and consequently the Indian Money Market was in a distinctly favourable position to withstand the strain consequent upon the disorganisation of the European Money Markets. And yet, the collapse of the Indian Exchange business by the Banks is a fact; and it is also a fact that at the Bank of Bombay, Government deposits had to be increased in the week ending August 15th by over 126 lakhs and that in the Bank of Bengal an addition of 15.54 lakhs was made. In Madras, the situation gave cause for alarm in the beginning, as telegraphed by this Chamber, but steadily improved, though the tightness, so far as the trades are concerned has not yet passed away. It is one thing for the banks to be in a satisfactory condition and quite another for the trade of the country feeling and realising that the banks are assisting it satisfactorily in a crisis.

6. The chances are that the war may be more or less prolonged. The prospect before the Commercial communities is one of the gravest anxiety. What with the scarcity of tonnage and inordinate war risks on the one hand and the commandeering of ocean steamers by Government for their urgent transport purposes on the other, trade with foreign countries has been almost paralysed, and this is bound to react on the economic condition of the people and on the finances of the Government. The season is about to begin, and with the harvests coming in, and the foreign outlets practically closed, he will be a bold prophet who will be able to say what the future of Indian finance is likely to be.

7. I have digressed into a statement of these circumstances, to indicate that during the present grave

crisis brought on by the war almost every principle of finance and currency recently propounded will be severely tested; that the proper time for considering the suitability of the application or otherwise of any of these principles in practice would be only when we are in a position to gauge the full effects of this crisis; and that any conclusion we may come to now can only be tentative and inconclusive in character. I, therefore, beg to submit for the consideration of the Government of Madras and the Government of India that the questions covered by the Report of the Royal Commission on Indian Finance and Currency may be taken up at a subsequent and more favourable time.

I have, etc.,

(Sd.) P. THEAGAROYA CHETTY,  
*President.*

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FINANCIAL DEPARTMENT,

*Dated Ootacamund, 22nd September 1914.*

No. 4994-4.

From

The Hon'ble Mr. A. Butterworth, I.C.S.,  
Ag. Chief Secretary to the Government of Madras.

To

The President,  
The Southern India Chamber of Commerce,  
Madras.

SIR,

In continuation of this Department letter No. 4994-2, dated the 18th August 1914, and with reference to paragraph 7 of your letter No. 276 of the 12th September 1914, I am directed to forward a copy of the letter from the Government of India, Finance Department. No. 1365-F, dated the 11th instant, and to request that your Chamber's views on the recommendations of the Royal

Commission on Indian Finance and Currency may be furnished to this Government after careful consideration of the experience gained in the present crisis.

I have, etc.,  
(Sd.) B. LAVILLE,  
for *Chief Secretary*.

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[ENCLOSURE.]

From the Secretary to the Government of India, Finance Dept.

To the Chief Secretary to the Government of Madras.

No. 1365-F.

I am directed to refer to my letters noted in the margin inviting opinions on the questions arising out of the Report of the Royal Commission on Indian Finance and Currency, and to say that the suggestion has been made to the Government of India by several of the authorities consulted that it will be expedient to defer the submission of opinions until normal conditions have been re-established, when the various questions involved can be carefully considered in the light of the experience gained in the present crisis. The Government of India are in agreement with this view, and therefore do not now ask for the early reply which was previously requested.



## **APPENDIX.**

### **The Tenth Indian Industrial Conference.**

The Tenth Indian Industrial Conference was held in Madras on the 26th December 1914. All the Members of the Chamber were returned as Delegates to the Conference. Messrs. Vidya Sagar Pandya, C. Gopala Menon and C. Duraiswami Aiyangar served as Secretaries to the Conference. Rao Bahadur P. Theagaroya Chetty, B.A., the President of the Chamber, as the Chairman of the Reception Committee of the Conference delivered the following address:—

BROTHER DELEGATES,

To one and all assembled here, it is my proud privilege, on behalf of the Reception Committee of the Tenth Indian Industrial Conference, to accord a most hearty welcome. I may, at the same time, extend to all of you the assurance that the Reception Committee appreciates most highly the readiness with which you have come forward to help us in bringing about the success of this Conference.

We are meeting to-day under the most extraordinary conditions. We, in common with the rest of the civilised world, are passing through a crisis, the like of which has not been recorded in authentic history. What the outcome of this mighty war will be, and when will peace on earth and goodwill among nations once again be restored, we cannot say. An economic revolution bound to affect profoundly the moral and material well-being of the world's population is setting in, and what there is in store for this country and how she is going to emerge ultimately at the end of this turmoil,

time alone can say. But in the meantime, our hope is in our steadfast loyalty to the British Throne, and this Conference of the representatives of Indian Industries, Manufactures, Trade, Commerce and Agriculture will, doubtless, give expression to the feeling of fervent loyalty and devotion pervading all classes and communities and particularly of the communities we represent. We firmly believe that our peace and prosperity are indissolubly bound up with the British Empire. With this conviction within us, each one of us has come forward with readiness in this emergency, to offer what lies in him and to strain his resources to his uttermost to ensure the victory of the British arms. Our valiant soldiers, including the flower of our nobility, are fighting for the British arms in Europe and elsewhere and are taking their place side by side with their British comrades in defence of common enemies. We, as citizens of the Empire, are proud of this privilege enjoyed by our soldiers in the field. We are cheerfully undertaking whatever sacrifice we feel called upon by the circumstances to undertake, and trust that in the dispensation of Providence, our Empire, to which we are all so proud to belong, shall be crowned with victory.

#### INDUSTRIAL CONDITIONS OF MADRAS.

This is the second time Madras has had the fortune of welcoming the Indian Industrial Conference to its midst. On the 26th December 1908, six years exactly to this day, we had the pleasure of holding the 4th session of the Conference in this city. Our distinguished countryman, Dewan Bahadur P. Rajaratna Mudaliar, C.I.E., then opened the proceedings. That year was a most eventful one in the industrial history of this Presidency. It was the year of the Ootacamund Industrial Conference. It was the year of great industrial possibilities, when the Government and the representatives of the people, inspired by a common enthusiasm, resolved to strive for a common ideal. That was the year of high hopes and great endeavours. We believed that the industrial regeneration of this Presidency was at hand. Subsequent events have shown that we have been count-

ing without the host. Ours, gentlemen, is an industrially backward province. Our normal occupations are almost primitive. The population of this Presidency is devoted almost wholly to agriculture. We cannot boast of any big industrial development. We have no great mineral wealth. We have no big factories where we may lay claim to manufacture on any appreciable scale. We produce raw materials, no doubt, in abundance. Our oil seeds, our hides, our cotton and our other raw products are valued highly in the markets of the world. Not more than 5 per cent. of our population is engaged in industrial occupations and even this number is said to be decreasing. Cotton-ginning, oil-milling and rice-hulling are the only industries we can boast of. Perhaps, I may mention also a few, a very few, cotton, jute and sugar mills. There has been some recent introduction of machinery, such as the small prime-movers and the internal combustion engines, but this progressive feature of our industrialism has necessarily resulted in throwing out of employment manual and industrial labour of an old primitive type. Our able-bodied labourers find it more profitable to migrate to other countries in quest of labour. We have made some spasmodic attempt to manufacture articles, such as glass, pencils, soap, candles, pens, matches and the like. But for one reason or another, our attempts have ended in failures. Here it is the want of capital, there it is the lack of experts, and everywhere it is the sad deficiency of organisation of resources, of healthy co-operation and of mutual trust and confidence. Our young men pursue a purely literary system of education, and a career of industrialism is an aversion to them. They must either enter the service or join the bar. The upper classes are generally indifferent to industrial development. The educated classes do not care to understand the real economic conditions of the country. Education on industrial lines is not only avoided but despised, and so long as this dissociation of the educated classes from industrial activities continues, how can there be any progress? I have no hesitation in saying that the existing character of education in India must change materially, if you are going to have your masters and captains of industry. An English authority



on German achievements writes as follows of the German official and industrial classes :—

“The dignity and repute of this class (official) continue as before, and there is no lack of applicants for admission to its charmed circle, but many of the ablest men are no longer found there. It is not that the official is less appreciated, less honoured by his Government, or finds a more circumscribed sphere of duty than hitherto ; the one secret of the failure of official career to attract to the extent it used to do is the State's unwillingness and inability (probably under existing conditions, the latter more than the former) to offer material inducements equal to those which are held out in private life. It is a perpetual complaint even in the ultra-bureaucratic Prussia that the best businessmen are found not in the State service, but outside, at the head of industrial, commercial and financial undertakings offering to able directors and administrators emoluments beyond the means of the National Treasury.”

Again the same writer says :—

“When in 1907, the Imperial Government was requested to take the initiative in establishing a chemico-technical institute, the Minister of the Interior replied that it would be impossible unless the chemical industry largely supplemented such salaries as the Government may be able to pay the necessary staff. ‘In private undertakings’, he said, ‘able technicologists and chemists receive salaries which we could never offer. I am at a great disadvantage that in spite of all efforts, I am unable to secure for the Imperial Service conspicuous ability, because better remuneration is offered elsewhere.’”

But what do we find here ? The very reverse of this state of things. In this Presidency, we have Government Agricultural Experts, Government Agricultural Chemists, the Government Sugarcane Expert, the Government

Economic Botanist, the Government Mycologist, the Government Entomologist, the Government Piscicultural Expert, the Government Director of Fisheries, the Government Director of Industries, the Government Dyeing Expert, the Government Leather Expert and so on. In fact, Government possesses almost a monopoly of the scientific skill and experience necessary for the investigation and initiation of industrial, scientific and technical projects. If anything can be attempted at all, it can only be through the agency of the Government experts and with the employment of the resources of Government in this respect. This leads me to the question of the relation between the State and industries in the peculiar conditions that obtain among us.

#### GOVERNMENT AND INDUSTRIES.

Our thanks are due to the Government of Madras for the great interest they have been evincing in the industrial development of this Presidency. If they have not been able to accomplish anything appreciable, it is not entirely their fault. It is due to the obstacles from without, which they could not possibly overcome. Their scheme of industrial development is as old as 1905. Their scheme was to create a Department of Industries to undertake a systematic survey of existing industries and to investigate the possibility of creating new ones. It was to initiate experiments which might assist private enterprise to take up fresh industrial undertakings and to supply information and advice. They were fortunate in getting a suitable officer, of the requisite talents and enthusiasm, who was not slow to convince the Government and the people that given the necessary official encouragement he could produce results of considerable value. The whole situation became so hopeful in less than three years since the inauguration of the scheme, that in 1908, the year in which I told you the last Indian Industrial Conference was held in Madras, the Government of Madras felt that the time had come when the best method of further developing the useful work that had been commenced should be further considered, and a Conference, representative of

all interests concerned, was summoned to meet at Ootacamund in September of that year to secure the assistance, by way of suggestion and advice, of all those already engaged in the development and working of the industrial resources of the country. The Government then clearly recognised that the work to be done was pioneer work in aid and encouragement of the introduction of private capital and enterprise. At the same time, they had no idea of embarking on commercial undertakings and averred that they were ready and willing at all times to desist from any experiment as soon as private enterprise offered to take it up. This Conference of the leading industrial interests of the Presidency, official and non-official, was a great success. The Government threw themselves heart and soul into the movement, and the Hon'ble Mr. Cardew, who is now a Member of the Government, guided and directed the proceedings of that Conference as its Secretary. His interest has since been unabated, and he has been one of the foremost to comply with my request to co-operate with us in this Conference we are holding to-day by joining our Reception Committee. To revert to the Ootacamund Conference of 1908, it recommended that Government might undertake as a pioneer, the introduction of new industries or industrial processes for the purpose of training students or apprentices or for demonstrating that such industries would be commercially successful. This was, however, qualified by certain safeguards, among which being the safeguard that the Government should withdraw from such undertaking as soon as it was clear that it had sufficiently demonstrated the advantage of the improved methods. The Government had no hesitation in accepting the conclusions arrived at by the Conference on the general question, and they felt convinced that with the limitations laid down by the Conference, private enterprise had nothing to fear while it had much to gain from the association of the State in the work of promoting the industrial development of the country. Among others, there was the further recommendation that the action of Government should be directed to the promotion of both cottage industries and those on the factory system; that the

College of Engineering in Madras should be expanded into an Institute of Technology, and education imparted in Engineering in all its branches, in Applied Chemistry and such other technical subjects as are suited to the needs of the country. The Secretary of State now came upon the scene. It was Lord Morley who was at the helm of affairs. In 1906, when the first scheme was submitted to him he was only willing to let the experiment be tried in view of the special circumstances of the Presidency. When the recommendations of the Ootacamund Conference were submitted in 1909, the Government of India expressed themselves as in concurrence with the view of the Local Government, that the constitution of a permanent department having for its principal object the fostering of industrial development within the limits laid down by the Conference, and the control of industrial education as defined by them will prove highly beneficial. But the Secretary of State stuck to his own theory. He vetoed these recommendations. He said:—"I think it is more likely (the industrial development of the province) to be retarded than promoted by the diversion to State-managed commercial enterprise of funds which are urgently required for the extension of industrial and technical instruction." "The policy which I am prepared to sanction," he added, "is that State funds may be expended upon familiarising the people with such improvement in the methods of production as modern science and the practice of European countries can suggest. Further than this the State should not go and it must be left to private enterprise to demonstrate that these improvements can be adopted with commercial advantage!" So, all the attempt to pioneer industries in this Presidency by means of State initiative, enterprise and encouragement was effectively damned. The Madras Department of Industries was abolished and all animation was abruptly suspended on receipt of the Secretary of State's mandate. The situation in a very short time had become so grave that the Government of Madras felt itself compelled to enter its mild protest and to represent the matter once again. This

time, they said, that His Excellency in Council could not disguise the fact that Lord Morley's orders prohibiting the employment of State funds in the pioneering of industries had given rise to a very widespread feeling of disappointment among many sections of the community in the Presidency. In their letter to the Government of India, the Government of Madras wrote:—"I am to observe that there is considerable force in the argument based on the difference between the industrial conditions of India and those of Europe in this matter. In a country like Southern India where industrial progress has hardly commenced, it is difficult without State-aid to bridge the gulf which exists between mere scholastic instruction and the practical application of industrial teaching unless factories under State-management are established." They further said:—"Without State-effort, the development of the trade of the Presidency by the introduction of an industry would not be undertaken at all."

The subject was discussed in 1911 in the Madras Legislative Council, and a Resolution requesting the Government of Madras to move the Secretary of State to reconsider his orders was moved by my friend the Hon'ble Mr. Justice T. V. Seshagiri Aiyer and seconded by myself. His Excellency the Governor was pleased to observe that the Government were in accord with the principle underlying the Resolution and were willing to give effect to it. The representation of the Government of Madras was duly made, and this time the Government of India in supporting it said:—"We venture to suggest that undue reliance may be placed on the experience of Europe in such matters. The Government of Japan, whose example is frequently quoted by Indians, pioneered industries *pari passu* with the development of technical education. It is noteworthy that somewhat similar proposals for the pioneering of industries have been made by the influential and representative Conferences in the United Provinces and in East Bengal and Assam." One observation of the Government of India in their despatch to the Secretary of State is particularly noteworthy: "The

importance of giving to India all possible facilities for becoming industrial is very great at the present time." The Secretary of State was obdurate as ever. "I must re-affirm my predecessor's decision against the extension of the department's activities to trading on commercial lines. I have no doubts as to the wisdom of that decision." The present position was clearly stated by the Hon. Mr. Cardew the other day in the Council. He said :—"However anxious the Government may be to promote the industrial development of this Presidency, it is our duty to follow the line of development laid down for us by the Secretary of State." I have traced this long history of the endeavours of the Government in this Presidency to pioneer industries to convince you that nothing was wanting on the part of the Local Government or the Government of India to enable the Secretary of State for India, the paramount authority in Indian affairs, to take a proper view of Indian conditions and Indian needs. He has sacrificed at the altar of his doctrine the true and vital interests of India. The question of Indian Industrial policy, since the outbreak of the war, has received special attention and has assumed an extraordinary significance even in Great Britain. Only the other day, Reuter wired to us that at a meeting at Manchester it was resolved to establish a National Company for the manufacture of synthetic dyes and that the Government of Great Britain had offered to guarantee the interest on a million and a half pounds of debenture capital. If such is the interest the Home Government is taking in free and resourceful England, it looks a pity that the Indian Government should now be only repeating Secretary of State's orders of two years ago, issued in the then placid condition of affairs suited to the airing and advocacy of academical theories. We are, however, grateful for the assurance given to us the other day by the Hon'ble Mr. Cardew in the Legislative Council that "if it is established that the attitude of the Home Government on the subject of State assistance of industries is altered, the Government here will certainly take steps to let us undertake action in this country similar to that which the Home Govern-

ment is undertaking in England." It will be something, if in this respect, we could at least be considered as on a par with Great Britain. I have been at some pains to acquaint you with these facts, so that in the deliberations to follow you may know definitely where we stand in this controversy and how we should formulate our prayers in our resolutions. It behoves the Government of India to move the Secretary of State once again to reverse the disastrous policy enunciated in 1910, and re-affirmed with slight modifications in his Despatch of 1912, and to authorise the employment of free State-aid and encouragement in the active pioneering of industries by Government in this country, with due regard to the disparity in the industrial conditions of India and in advanced Western and Eastern countries.

#### CAPTURE OF ENEMIES' TRADE.

Everywhere you hear the cry of the capture of the Enemies' Trade. The Director of Statistics issued an elaborate Memorandum and Statistical Tables relating to the trade with Germany and Austria-Hungary. A revised and enlarged Memorandum has since been issued. These two countries between themselves have been accounting for nearly 15 per cent. of the Indian exports and nearly 10 per cent. of our aggregate imports. In the year 1913, we did a net business of 16½ crores of rupees with these two countries. I mean to say that was the value of the excess of our exports over the imports in the case of these two great countries. Before we think of capturing any portion of the Enemies' Trade, we have to find proper customers to take their places. Not only the trade with these countries has been lost to us, we have practically lost our whole European market. Almost all our great trades have been disorganised, and a country like ours with hardly any manufacturing resources and a surfeit of raw produce has suddenly been driven to dire extremities. The state of our trade in oil-seeds is an instance in point. Our Bombay friends will instance the case of cotton and our brethren from Bengal will cite the case of jute. Something should be done to relieve the dire situation, but neither the Government nor the

representatives of the interests concerned can point to any practical industrial experiment. The Director of Statistics has published a number of monographs and has afforded much interesting and useful information on several branches of trade. But it must be remembered that the situation brought on by the war will not remain the same for ever; that unaided on a proper scale by State encouragement we are incapable of initiating any large enterprise of a permanent character; and that temporary measures to alleviate the crisis brought on by the sudden stoppage of trade are an urgent necessity. If with their unlimited resources of talent and capital, the Government should find it difficult to know in what direction to move, what can be expected of the poor producers at this juncture. The situation may easily lend itself for a cheap sneer at Indian Trade organisations and banking institutions, but it is notorious how they are starved of even the encouragement and support which is their legitimate due. It is now the declared policy of Government that a banking institution, which desires assistance must apply to the Presidency Banks which are said to occupy a special place in relation to Government as the natural recipients of Government loans. But how are the interests of Indian trading and commercial communities safeguarded in these Banks? It will be an exceedingly good thing if the natural support of the Government to their natural recipients is given in every case on the special understanding that they in turn will afford similar support to those who are dependent on them and whose interests are without an adequate representation in the Boards of Management of these Bankers' Banks. And again, we hear so much of the shyness of Indian capital, of the neglect of opportunities by Indian capitalists, of their mutual distrust and the deplorable want among them of initiative, enterprise and co-operation on any large scale. You are aware of the position of District Boards in this country. They are popular representative institutions, collecting revenue from the agricultural classes mainly, and spending the same for the local needs of the people within their area, such as rural sanitation, communications, construction of small public works, elementary education



and the like. The other day, a few of these Boards came forward to undertake a profitable and much-needed local railway enterprise, offering to find the funds out of their resources and asking Government to assist them in putting the project through. The Government of Madras dismissed the offer saying that a Madras firm Messrs. Binny & Co., had been already recommended for the concession and that they had better look to less ambitious, if not less profitable, projects. I cite this as an other instance to show that real enterprise when it does show itself is hardly afforded the encouragement it deserves.

### THE HIGH PRICES ENQUIRY.

I cannot conclude without at least a passing reference to the arduous enquiry carried on by our talented countryman Mr. Datta into the problem of high prices in this country. The Government of India rightly observe that the report as a whole must be recognised a very valuable contribution to the recent economic and financial history of India. The Report with its appendices is admittedly an almost complete survey of the progress achieved during the past 22 years. I wish to invite the attention of this Conference to one conclusion of Mr. Datta, a conclusion, the significance of which dominates all others in its bearing on the material well-being of our country. A special cause of the rise in prices in India, according to Mr. Datta, must be sought for in the problem of the relation between the supply of food-stuffs and the demand for food as measured by the growth of population. Here are Mr. Datta's observations :—"Considering the growth of population, and the increase in the external demand, the supply has been short during the greater part of the period embraced in the enquiry. The demand for both internal consumption and exports having increased at a quicker rate than the production of food-grains, it is only natural that the general level of prices of food-grains over a series of years would rise, although in a particularly favourable year it might have fallen to some extent. The food-supply in India, compared with the demand, both inter-

nal and external, reached its lowest level in the quinquennium 1905-09, and this shortage of supply has doubtless contributed, in no small measure, to the unusual rise in prices during the quinquennium." He further says in his report that "in recent years the production of food-grains has not been keeping pace with the population. This would explain the almost continuous rise in the price of food-grains. It is to be regretted that the Government of India have not given due weight to this conclusion of Mr. Datta. By trying to quote Mr. Datta against himself, the Government of India make a most laboured and unsatisfactory attempt to controvert that conclusion and to discount the value of the statistics adduced by Mr. Datta in favour of the conclusion. The problem of the future course of prices in India is dismissed by the Government of India with the remark that it is one to which no solution can be found in the analysis of Indian conditions only and is essentially bound up with the question of the movement of prices throughout the world—a conclusion which practically leads to nothing and evades the points at issue. I trust the Conference will devote special attention to this all-important question.

#### CONCLUSION.

If the war has disturbed our Trade, has disorganised our foreign markets and driven us to commercial and financial straits, it has had a relieving and cheering aspect as well. The Under-Secretary of State for India in Parliament has spoken thus of our loyalty :—"There was a wave of instinctive and emotional loyalty which had swept over the people of India. But it would be unfair not to recognise that besides this there was among the Indian educated classes a loyalty based on reason and the recognition of facts". Again :—"For the rest, it was premature to attempt to anticipate the consequences that might follow from the striking and historic event—the participation of India in force in the world-war of the Empire. The results would not be fully seen until the war was over. But it was clear that India claimed to be not a mere dependent of, but a partner in, the Empire, and her partnership with us

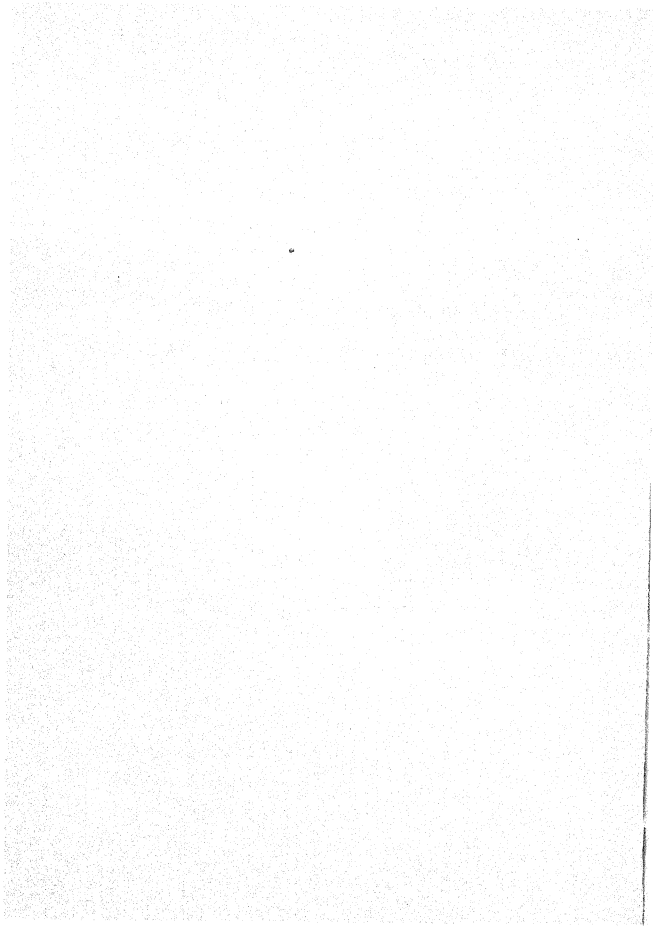
"in spirit and on the battle-fields could not but alter  
 "the angle from which we should all henceforward  
 "look at the problems of the Government of India."  
 And again:—"In an atmosphere of friendship and  
 "goodwill, which united India and England to-day  
 "there was surely a bright hope for the future. . . .  
 "He could not but trust that the common endeavours  
 "of these days would enable India to realise that she  
 "was occupying and was destined to occupy a place in  
 "our free Empire worthy alike of her ancient civilisa-  
 "tion and thought, of the valour of her fighting-races  
 "and of the patriotism of her sons." In the House of  
 Lords, the Marquis of Crewe said, on the same occasion,  
 that "for the present all that need be done was to  
 "express thanks to India for the generous and spon-  
 "taneous manner in which she had come forward to  
 "share the expenses." Earl Curzon was also there and  
 he seconded the Resolution that was moved by the  
 Marquis of Crewe. We have no doubt that this war will  
 be over sooner or later. We have not the least doubt  
 that the might of England will emerge not only un-  
 scathed but gloriously triumphant out of this tremendous  
 cataclysm. And then, it will be a proud day for the  
 Britains and a prouder day for us. Shall we not hope  
 it will be a day for the realisation of our highest hopes?  
 And what is it that we shall all hope for, for the in-  
 estimable benefit of the swelling millions of this vast  
 country, a benefit which shall go down to the lowest and  
 the humblest. Replying to the address of the Calcutta  
 Corporation, His Gracious Majesty, while in India, was  
 pleased to observe:—

"I know that you cherish ambitions that India will  
 one day become a great manufacturing as well as  
 an agricultural country. I have watched with  
 keen interest the progress of your business enter-  
 prises, and I trust that the success which has  
 attended your commercial energy will attract more  
 and more the youth of this country to regard com-  
 merce as a distinguished profession."

Yes, our highest ambition is that India will one day  
 become a great manufacturing, agricultural and com-

mercial country. It may be said that it depends on ourselves to realise this ambition. But the help must first come from without, and it can only come from the Englishmen. "It was Englishmen", wrote the *Cologne Gazette* recently, "who in Germany first took in hand the construction of railways, gas works, tramways and machine shops; who supplied to these enterprises the ample resources of British Capital; and who thus acted as the pioneers of German material development." In the days of Germany's apprenticeship, it was England that gave the helping hand. If England can do that for Germany, if industrial Germany is so largely the child of industrial England, should not England come to our aid in our economic struggle for existence, help us in earnest in our economic evolution, and enable us to have a larger share in the world's life of to-day, the life of commercial and industrial pursuits, of materialised education and solid enterprise.

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# THE SOUTHERN INDIA CHAMBER OF COMMERCE.

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## Memorandum of Association.

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I.—The name of the Association is "The Southern India Chamber of Commerce."

II.—The Registered Office of the Chamber will be situated in Madras.

III.—The objects of the Chamber are—

1. To promote and protect the trade, commerce and manufactures of India or any part thereof and, in particular, of this Presidency.

2. To watch over and protect the general commercial interests of India or any part thereof and the interest of persons engaged in trade, commerce, or manufacture in India, and in particular, this Presidency.

3. To encourage a friendly feeling and unanimity among commercial men on all subjects involving their common good.

4. To consider and formulate opinions upon all questions connected with trade, commerce and manufactures.

5. To collect, classify and circulate statistics and other information relating to commercial interests generally.

6. To maintain a Library of books and publications of commercial interest, so as to diffuse commercial information and knowledge amongst its members.

7. To establish Museums of commercial products or organize exhibitions, either on behalf of the Chamber or in co-operation with others.

8. To promote or oppose legislative and other measures affecting trade, commerce or manufactures and thus obtain, by all acknowledged means, the removal, as far as possible, of grievances affecting merchants as a body and mercantile interests in general.

9. To adjust disputes or controversies between members of the Chamber.

10. To arbitrate in the settlement of disputes arising out of commercial transactions between parties willing or agreeing to abide by the judgment and decision of the Chamber.

11. To establish just and equitable principles in trade and commerce.

12. To form a code or codes of practice to simplify and facilitate transaction of commercial business.

13. To maintain uniformity in rules, regulations and usages of trade.

14. To communicate with public authorities and Chambers of Commerce and other mercantile and public Associations throughout the world and concert and promote measures for the protection of trade, commerce and manufactures and persons engaged therein.

15. To provide suitable places and other facilities for holding and conducting sales of property, brokerage or commercial transactions, meeting of creditors, companies or arbitrators and other like matters.

16. To provide, regulate and maintain suitable buildings or rooms for commercial purposes.

17. To acquire by purchase, lease, or otherwise, lands and buildings and all other property, moveable and immoveable, which the Chamber for the purposes thereof, may, from time to time, think proper to acquire.

18. To establish and conduct in, or in connection with, any buildings or rooms erected, provided, regulated, or maintained by the Chamber for the purposes aforesaid, a restaurant for the use of members of the Chamber

and others resorting to such buildings or rooms for the negotiation or transaction of business.

19. To sell, improve, manage, develop, exchange, lease or let, underlease, or sublet, mortgage, dispose of, turn to account, or otherwise deal with, all or any part of the property of the Chamber.

20. To construct upon any premises acquired for the Chamber any building or buildings for the purposes of the Chamber and to alter, add to, or remove, any such building.

21. To borrow or raise any moneys required for the purposes of the Chamber upon such terms and manner and on such securities as may be determined and, in particular, by the issue of debentures charged upon all or any of the property of the Chamber.

22. To subscribe to, become a member of, and co-operate with, any other Association, whether incorporated or not, whose objects are wholly or partly identical with, or similar to, those of this Chamber and procure from, and communicate to, any such Association, such information as may be likely to further the objects of this Chamber.

23. To do all such other things as may be conducive to the preservation and extension of trade, commerce or manufactures or incidental to the attainment of the above objects or any of them.

IV.—The income and property of the Chamber, whensoever derived, shall be applied solely towards the promotion of the objects of the Chamber, as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend or bonus or otherwise howsoever, as profit, to the persons who at any time are, or have been, members of the Chamber or to any of them or any person claiming through any of them: Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the Chamber or to any member thereof or



other person, in return for any services actually rendered to the Chamber, or the payment of the interest on money borrowed from any member of the Chamber.

This is a condition on which a license is granted by the Government of Madras to the Chamber, in pursuance of Section 26 of the Indian Companies Act, 1882.

V.—If any member of the Chamber pays or receives any dividend, bonus, or other profit, in contravention of the fourth paragraph of this Memorandum, his liability shall be unlimited.

VI.—Every member of the Chamber undertakes to contribute to the assets of the Chamber, in the event of the same being wound up, during the time he is a member, or within one year afterwards, for the payment of the debts and liabilities of the Chamber contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding Rs. 12 (twelve)—or, in case of his liability becoming unlimited, such other amount as may be required, in pursuance of the last preceding paragraph of this Memorandum.

VII.—If, upon the winding up or dissolution of the Association, there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Chamber, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Chamber, to be determined by the members of the Chamber at or before the time of the dissolution, and in default thereof, by such Judge of the High Court of Judicature at Madras as may have or acquire jurisdiction in the matter.

VIII.—True accounts shall be kept of the sums of money received and expended by the Chamber and the matter in respect of which such receipt and expenditure takes place and of the property, credits and liabilities of

the Chamber ; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Chamber for the time being, the same shall be open to the inspection of the members. Once at least in every year, the accounts of the Chamber shall be examined and the correctness of the balance-sheet certified by one or more auditor or auditors.

IX.—We, the several persons, whose names and addresses are subscribed, are desirous of being formed into an Association in pursuance of this Memorandum of Association.

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### Articles of Association.

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1. In these Articles, unless there be something in the subject or context inconsistent therewith—

“ *The Chamber* ” means The Southern India Chamber of Commerce incorporated under Section 26 of the Indian Companies Act, 1882.

“ *Member* ” means a member of the Chamber.

“ *General Meeting* ” means a General Meeting of the Chamber.

“ *The President* ” means the President of the Chamber.

“ *The Vice-President* ” means either or both Vice-Presidents of the Chamber.

“ *The Committee* ” means the Committee of the Chamber elected under these Articles.

“ *The Secretary* ” means any one or both of the Secretaries to the Chamber.

2. For the purpose of registration, the Chamber is declared to consist of 200 members.

3. The Committee may, when they think fit, register an increase of members.

4. The Chamber is established for the purposes expressed in the Memorandum of Association.

#### MEMBERS.

5. There shall be two classes of members, permanent and honorary.

6. The several persons, firms, joint stock companies or other corporation, whose names and addresses are subscribed at foot, have agreed to become the first ordinary members of the Chamber subject to these rules and regulations, and these together with the others who have signified in writing on or before 6th October 1909 their intention to become members of this Chamber shall *ipso facto* and without election be permanent members of the Chamber.

7. Merchants, bankers, shipowners, tradesmen, representatives of commercial, railway and insurance companies, brokers, persons and firms engaged in commerce or trade, agriculture, mining, manufacture, and joint stock companies or other corporations, and associations for any purpose or object connected with commerce or trade, agriculture, mining, manufacture or persons, engaged in or connected with science, may be elected as permanent members of the Chamber.

8. Any firm, joint stock company or other corporation eligible for election as a permanent member may become a permanent member in their conventional or corporate name.

9 Subject to the provisions and restrictions contained in these Articles, the rights and privileges of membership may, in the case of a firm elected in their conventional name as a member, be exercised by any partner in such firm or by any person authorised by power of attorney, or letter of procuration or letter of authority to sign the name of the firm or to sign such name per procuration, and may, in the case of a joint stock company or other corporation elected a member in its corporate name, be exercised by any responsible officer of such company or corporation.

10. A candidate for election as a permanent member, whether an individual, a firm or a joint stock company or other corporation, shall be proposed by one and seconded by another permanent member, and may be elected by the Committee.

11. A firm shall not cease to be a member by reason only of a change in the constitution of the firm, occasioned by the admission, retirement or death of a partner, provided the business of the firm is continued in the conventional name in which such firm was elected a member.

12. A firm, joint stock company, or other corporation shall cease to be a member upon any change being made in the conventional or corporate name of the firm, company or corporation.

13. Any permanent member may withdraw from the Chamber by giving two calendar months' notice in writing to the Secretary of his intention so to do and, upon the expiration of the notice, such member shall cease to be a member.

14. The subscription to the funds of the Chamber of permanent members carrying on business in Madras shall be Rs. 24 per annum, payable half-yearly in advance and that of those permanent members carrying on business elsewhere than in Madras shall be Rs. 10 per annum, payable in advance. The entrance fee of permanent members shall be Rs. 12 payable with the proposal or their admission.

15. Honorary members shall not be required to subscribe to the funds of the Chamber.

16. Any member whose subscription shall be three months in arrears and who has not paid such arrears within one month after written notice calling for such payment, shall not be eligible either to vote or take part at any Meeting of the Committee or General Meeting or nominate any one for transacting business or elect a member or to propose or second the nomination of any one to be a member of the Chamber.

17. Any member, who does not pay his subscription for 6 months after the same has fallen due, shall cease to be a member of the Chamber and the name of such defaulting member shall be removed by the Committee from the list of members.

18. If it shall appear to the Committee that any member has not conformed to these Articles or to the bye-laws or regulations of the Chamber, or that any member has been guilty of any conduct likely to reflect detrimentally on the Chamber, it shall be competent to the Committee to request such member to resign, and, if the member so requested shall not resign within two weeks after such request, the Committee shall thereupon convene a Special General Meeting, and, if at such meeting a majority of two-thirds of the members present and voting, vote for the expulsion of the member so offending, such member shall thereupon cease to be a member.

19. Any person, firm or joint stock company or other corporation, who shall resign or be expelled under Article 18 shall be eligible for re-election after the expiry of one year from the date of resignation or expulsion, provided not less than three members, in addition to the proposer and seconder, support the proposal for re-election.

20. Any member, who shall for any reason cease to be a member, shall nevertheless remain liable for and shall pay to the Chamber all moneys which, at the time such member ceases to be a member, may be due from such member to the Chamber.

21. Officials and others indirectly connected with the trade, commerce or manufactures in the Madras Presidency, or who may have rendered distinguished service to the interest represented by the Chamber, may be elected honorary members by the Committee, without any ballot, upon the proposal of any two permanent members of the Chamber.

22. Strangers visiting the Presidency may be admitted by the Committee as honorary members for

a period not exceeding two months on the proposal of any permanent member of the Chamber.

23. Honorary members shall be entitled to receive the last published report of the Chamber and to attend and speak but not to vote at any General Meeting held during their membership, and may, upon the invitation of the President, any one of the Vice-Presidents or Chairman, as the case may be, attend under the like conditions any meeting of the Committee or of any Departmental Committee or Sub-Committee.

#### REGISTER OF MEMBERS.

24. A list or register of members shall be kept in which shall be set forth the names and addresses of the members, permanent and honorary, for the time being, and in which all changes in membership from time to time taking place shall be recorded.

#### OFFICERS.

25. There shall be the following honorary officers:— a President, two Vice-Presidents, one or two Secretaries and 24 ordinary members of the Committee, excluding the President and two Vice-Presidents.

26. The President, Vice-Presidents, and ordinary members of the Committee, including the Secretary, shall retire at each Annual General Meeting. A retiring officer shall be eligible for re-election.

27. Any permanent member, any partner in, or person holding a power of attorney or letter of procuration or letter of authority from, a firm registered as a permanent member in their conventional name, and any person being a responsible officer of any joint stock company or other corporation registered as a permanent member in its corporate name, shall be eligible for election as an officer of the Chamber.

28. During the tenure of office as President, Vice-President, Secretary, or as an ordinary member of Committee by any partner in, or person holding a power of attorney, letter of procuration or letter of authority

from, a firm registered as a permanent member in their conventional name or during the tenure of office as President, Vice-President, Secretary, or as an ordinary member of Committee by any person being a responsible officer of a joint stock company or other corporation registered as a permanent member in its corporate name, no other partner or person representing the same firm, company or corporation, as the case may be, shall be eligible for election as a member of the Committee.

29. If the President, Vice-President, Secretary or any ordinary member of the Committee shall be absent from Madras, for a period of three consecutive months, the Committee shall declare his office vacant and he shall thereupon cease to be an officer of the Chamber.

#### ELECTION AND APPOINTMENT OF OFFICERS.

30. At each Annual General Meeting the members shall fill up the places vacated by the retirement of the President, Vice-Presidents and ordinary members of the Committee.

31. The retiring members of the Committee shall, before their retirement from office, and before or contemporaneously with the issue of voting cards by the Secretary under the next succeeding Article, intimate to members of the Chamber the interests for which it may in their opinion be desirable that special representatives shall be elected as members of the Committee.

32. The election of the President, Vice-Presidents and the ordinary members of the Committee shall be determined by a majority of the votes of members present and voting at the General Meeting. Such votes shall be given by voting cards to be numbered and signed by the Secretary.

33. The Committee appointed by the general body shall elect, at a special meeting of the Committee, as soon as it is convenient, one or two of its members as the Honorary Secretary or Secretaries to the Chamber. The Secretary so elected shall remain in office until another Secretary has been elected, notwithstanding anything

contained in these Articles to the contrary. The Committee shall have power to pay such honorarium or remuneration to the Secretary as it thinks fit.

34. If any vacancy shall occur in the office of President, during the interval between two Annual General Meetings, the Committee shall elect one of the Vice-Presidents to fill up the vacancy until the next ensuing Annual General Meeting. The election shall be determined in the manner prescribed in Rule 32, and the result may be communicated to members by a letter signed by the Secretary.

35. If any vacancy shall occur in the office of Vice-Presidents during the interval between two Annual General Meetings, the Committee shall elect one out of its members, to fill up the vacancy until the next ensuing Annual General Meeting. The election shall be determined in the same manner as prescribed in Rule 32.

36. Any vacancy in the Committee, including the Secretary, other than in the office of President or Vice-Presidents, occurring in the interval between two Annual General Meetings shall be filled up by the Committee electing a member to supply the vacancy.

37. The Auditor shall, from time to time, be appointed by the general body at a remuneration to be fixed by the Committee.

#### PRESIDENT.

38. The President shall preside over all meetings of the Committee, General Meetings and over all Deputations. At the Annual General Meeting, he shall address the members on such subjects as he may deem proper to bring to their notice, but such address shall not be taken to represent the views of the Chamber or of the Committee, unless such representation is expressly indicated.

39. The President shall also at any time when he shall deem proper, communicate to the Chamber or to the Committee such matters, and shall make such



suggestions as may, in his opinion, tend to promote the prosperity and welfare and increase the usefulness of the Chamber and shall perform such other duties as may be incidental to the office of President.

40. When the office of the Secretary is vacant and until a new Secretary is elected, the President shall possess and exercise the powers of the Secretary as defined in the Articles, or may delegate his powers to one of the Vice-Presidents.

#### VICE-PRESIDENTS.

41. One of the Vice-Presidents in the absence of the President shall have all the powers and perform all the duties of the President.

#### THE COMMITTEE.

42. The Committee shall meet at such times as they may deem advisable and may make such regulations as they think proper as to the summoning and holding of Meetings of the Committee, and for the transactions of business at such Meetings, and the record of their proceedings shall be open to the inspection of members subject to such regulations as the Committee may, from time to time, deem expedient.

43. The President, or in his absence one of the Vice-Presidents, shall be *ex-officio* Chairman of the Committee. In the absence of both President and Vice-President, the Committee shall elect their own Chairman.

44. Seven members of the Committee including Office-bearers shall form a quorum for the transaction of business.

45. A yearly report of the management and proceedings of the Committee shall be prepared, printed and circulated for the information of the members of the Chamber at least seven days previous to the Annual General Meeting. Such report shall be submitted to the Annual General Meeting for confirmation, and shall

be confirmed or otherwise dealt with or disposed of as the Meeting shall determine.

46. The management of the business and funds of the Chamber shall be vested in the Committee who, in addition to the powers by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Chamber and are not hereby or by law expressly directed or required to be exercised or done by the Chamber in General Meeting.

47. Without prejudice to the general powers conferred by Article 46 hereof, the Committee shall have power—

- (a) To elect a Secretary as provided in Article 33.
- (b) To appoint any Departmental Committees or Sub-Committees, of the members of the Committee or of the members of the Chamber, and such Departmental Committees or Sub-Committees may be permanent or temporary or for special purpose as the Committee may determine.
- (c) To delegate, subject to such conditions as they think fit, any of their powers to Departmental Committees or Sub-Committees, and to make, vary and repeal bye-laws or rules for the regulation of the proceedings of Departmental Committees or Sub-Committees.
- (d) To make, vary and repeal bye-laws or rules for the regulation of business of the Chamber.
- (e) To enter into arrangements, upon such terms and subject to such conditions as the Committee may deem desirable, for working in connection with any Association organized for the protection or better development of any branch of trade, commerce or manufacture in the Madras Presidency or with like objects, that may apply to be allowed to work in connection with the Chamber, provided the objects for which such Association

is or shall be formed are not inconsistent with the objects of the Chamber as defined in its Memorandum of Association.

- (f) To make such bye-laws as the Committee may consider expedient for the regulation of the joint working of the business of any Association connected with the Chamber, or for the purpose of defining the terms and conditions of the joint working of the business of such Association, or as may from time to time be agreed upon between such Association and the Committee.
- (g) To appoint an Assistant Secretary on a remuneration to be fixed by them.
- (h) To consult, appoint and nominate Counsel, Vakils, Solicitors and Pleaders, to advise them on all or any matters connected with the Chamber and authorize all or any of them to represent the Chamber in all duly constituted Courts of Law, either Civil, Criminal or Revenue, and Arbitration Courts, either as plaintiffs or defendants, and to represent them before any officer or body of men or the Legislative Councils of the Presidency or before the Supreme Council (Viceroy's Council) or before the Sub-Committees or Standing Committees in connection with any measure or Bill connected with the welfare of Indians in general and particularly of any measure connected with the commerce of this Presidency and India.
- (i) To appoint or dismiss the staff and servants engaged for the Chamber.
- (k) To incur all necessary expenses, for the maintenance and carrying out of the objects and intentions of these Articles and Memorandum of Association.
- (l) To collect subscriptions and all and any other sums of money due in connection with this Chamber.

## SECRETARY.

48. The Secretary shall devote himself to the business and affairs of the Chamber. He shall have charge of all correspondence and shall keep an account of the funds of the Chamber and of funds connected with or in any way controlled by the Chamber. He shall keep accurate minutes of all meetings of the Chamber and of the Committee, of the Departmental Committees and Sub-Committees and obtain and keep copies of minutes of the meetings of all Associations connected with the Chamber. He shall have the care of the rooms, furniture, library, pictures and all documents belonging to the Chamber. He shall give notice of all meetings of the Chamber, of the Committee, of the Departmental Committees and Sub-Committees of the Chamber. He shall duly notify members of their election, shall collect all dues from members of the Chamber or from any Committee or any Association working in connection with the Chamber. He shall prepare the annual report of the Chamber under the guidance of the Committee, and the reports of all Committees and of all Associations connected with the Chamber, sign all cheques which will be countersigned by the President or Chairman of an Association, Fund or Committee and generally shall perform all such duties as are incidental to his office. He shall, under the orders of the Committee, conduct all correspondence, watch legislative measures and other matters that may affect the interests represented by the Chamber.

## ASSISTANT TO THE SECRETARY.

49. The Assistant to the Secretary, in the absence of the Secretary, shall perform all or any of the duties of the Secretary, and all such of the duties of the Secretary as may be assigned to him, from time to time, by the Secretary with the sanction of the Committee.

## AUDITOR.

50. The Auditor shall audit the accounts of the Chamber, of Departments of the Chamber, and of all funds connected with or controlled by the Chamber.

## GENERAL MEETINGS.

51. The first General Meeting shall be held in March 1910, and all the annual meetings, subsequent to the first General Meeting, shall be held not later than in the month of March in every year at such place as the Committee may determine, at which a report of the proceedings of the Committee including the Departmental and Sub-Committees and the yearly accounts shall be submitted for confirmation. Such meeting shall be called the Annual General Meeting.

52. The Committee may, whenever they think fit, and they shall, upon a requisition made in writing by any fifteen members of the Chamber, convene a Special General Meeting.

53. Any requisition made by the members shall express the object of the Special General Meeting proposed to be called and shall be left with the Secretary.

54. Upon the receipt of such requisition the Committee shall forthwith proceed to convene a Special General Meeting with 7 days' notice and such meeting shall be held within 15 days from the date of the receipt of such requisition unless it be convened to consider, revise or amend (a) any bye-law or bye-laws relating to arbitrations, (b) any bye-law or bye-laws or rules relating to the Measurement Department of the Chamber, (c) the Chamber's Schedule of Commission Charges, (d) the Chamber's Tonnage Schedule for the Port of Madras or for any port in the Madras Presidency, (e) the Chamber's form of Bills of Lading, or (f) the regulations of the Chamber as contained in these Articles of Association in which cases such meeting shall be held within 45 days from the date of the receipt of such requisition.

55. One month's notice at the least, specifying the place, the day and hour of meeting and the nature of the special business shall be given of any Special General Meeting convened to consider, revise or amend the bye-laws or rules relating to arbitrations or to the Measurement Department or to revise or amend the Chamber's

Schedule of Commission Charges or the Chamber's Tonnage Schedule for the Port of Madras or for any port in the Presidency of Madras, or the Chamber's form of Bills of Lading or regulations of the Chamber as contained in these Articles of Association.

56. At Special General Meetings, only the business of which notice has been given or such questions as naturally arise thereon shall be discussed.

57. Subject to the provisions of the Indian Companies Act, 1882, as to the power to alter regulations by special resolution, one month's notice at the least, specifying the place, the day and the hour of meeting and the nature of the special business shall be given of any Special General Meeting convened to revise, alter or amend the regulations of the Chamber as contained in these Articles of Association.

58. Except as herein, and in the Indian Companies Act, 1882, provided resolutions passed at any Special General Meeting shall take effect and come into operation on the dates on which they shall be passed, unless the time from which they shall take effect and come into operation be otherwise expressly stated in such resolution.

59. The non-receipt of a notice convening any General Meeting by any member shall not invalidate the proceedings of any such meeting.

60. Nine members present and entitled to vote at an Annual General Meeting shall constitute a quorum, but at any Special General Meeting twelve members shall constitute a quorum. No business shall be transacted at any Special General Meeting unless a quorum of members is present at the commencement of such business.

61. If within half an hour from the time appointed for a Special General Meeting a quorum of members is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the following week, at the same time and place, and if at

such adjourned meeting a quorum of members is not present the meeting shall be adjourned *sine die*.

62. The Chairman may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

63. Every question submitted to a General Meeting shall be decided by a majority of members present and voting at such meeting.

#### VOTES OF MEMBERS.

64. Every permanent member shall have one vote.

65. Any number of representatives of a firm registered as a member in its conventional name or any joint stock company or other corporation registered as a member in its corporate name may attend any General Meeting, but only one of such representatives shall be entitled to vote.

#### NOTICES.

66. A notice may be served upon any member either personally or by sending it through the post in a prepaid letter, or post-card addressed to such member at such member's registered address.

67. Any notice sent by post shall be deemed to have been served at the time when the letter or post-card containing the same would be delivered in the ordinary course of the post.

#### SEAL.

68. The Committee shall forthwith provide a common seal for the Chamber. The seal shall be deposited with the Secretary and shall never be affixed to any document except in the presence of the President or Vice-President and in pursuance of a Resolution of the Committee or of the Chamber in General Meeting.

69. Deeds, bonds and other contracts under seal made on behalf of the Chamber sealed with the common

seal of the Chamber and signed by the President or Vice-President and countersigned by the Secretary, or the person acting as Secretary, shall be deemed to be duly executed.

1. P. THEAGAROYA CHETTY,  
Merchant, Tondiarpet, Madras.
2. M. A. KUDDUS BADSHA,  
Merchant, No. 16, Bentinck's Building,  
North Beach, Madras.
3. GOVINDOSS CHATHOORBHOJADOSS,  
Banker, No. 459, Mint Street, Madras, E.
4. PERIATHUMBY MUDALIAR,  
Merchant, North Beach Road, Madras.
5. VIDYA SAGAR PANDYA,  
Banker, Bentinck's Buildings, Madras.
6. M. A. SUBHAN,  
Merchant, No. 23, Godown Street, Madras.
7. D. V. HANUMANTA ROW,  
Merchant, No. 22, Chandrabhan Street,  
Komaleswaranpet, Mount Road, S.C.
8. P. AIYANNAH CHETTY,  
Merchant, No. 62, Godown Street, Madras.
9. V. ARUNAGIRI NAIDU,  
Merchant, Egmore, Madras.
10. NALAM LAKSHMIKANTAM,  
Merchant, No. 209, Govindappa Naick  
Street, Madras.
11. H. MD. ABDUL AZEEZ SAHIB,  
Merchant, No. 27, Godown Street, Madras.
12. T. SEETHARAMA CHETTY,  
Merchant, No. 53, Strotten Muthia Mudaly  
Street, Madras.

Dated this 30th day of July 1910.

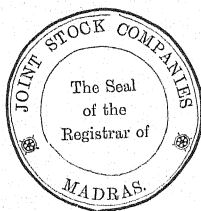
WITNESS TO ALL THE	} C. DURAISWAMI AIYANGAR, Asst. Secretary, Southern India Chamber of Commerce.
ABOVE SIGNATURES.	



## CERTIFICATE OF INCORPORATION.

No. II OF 1910—1911.

I hereby certify, pursuant to Act VI of 1882 of the Governor-General of India in Council entitled "The Indian Companies Act, 1882," that The Southern India Chamber of Commerce is incorporated as a company under the aforesaid Act and that the said Company is limited by guarantee.



STATION, MADRAS, } (Sd.) V. SUBBA RAU,  
Dated 28th October 1910. } Registrar of Joint Stock Companies.

## REGISTRATION OF TRADE-MARKS.

The following rules for the registration of Trade-Marks, Tickets, etc., have been adopted by the Southern India Chamber of Commerce :—

(1) That members of the Chamber be charged a fee of Rupees *Three* for each mark or ticket registered.

(2) That non-members be charged a fee of Rupees *Eight* for each mark or ticket registered.

(3) That each application for registration be circulated to all the members of the Committee of the Chamber.

(4) That a member of the Committee who objects to registration shall state the grounds of his objection.

(5) That the Committee, at a meeting, shall finally dispose of every application.

(6) That when an application is rejected, half the amount of the fee paid by the applicant shall be returned.

(7) That the Chamber's Register of Trade Marks, Tickets, etc., shall be open to the inspection of any person not a member of the Chamber on payment of a fee of Rupee one.

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## **SURVEY AND ARBITRATION RULES.**

*Passed at the General Meeting held on the 31st October 1911.*

The following rules shall regulate the conduct of surveys, arbitrations and the disposal of references by the Southern India Chamber of Commerce :—

1. The appointment of arbitrators, surveyors and of persons or Sub-Committees to dispose of references to the Chamber shall be made by the Executive Committee of the Chamber.

2. Where two arbitrators or surveyors are appointed and they disagree, the Executive Committee may appoint an umpire whose decision shall be final.

3. Only questions and disputes relating to mercantile transactions or the customs of trade shall form subjects for arbitration, survey or reference to the Chamber.

4. Every applicant shall state in his application that he will accept and abide by the decision of the Chamber.

5. No member who is interested in the subject-matter of any arbitration, survey or reference shall act as arbitrator, surveyor or referee in regard to the same.

6. Before any application for arbitration, survey or any other reference can be entertained, the parties to the same shall make such deposit as the Committee may deem necessary in the circumstances of each case.

7. On every arbitration, survey or reference a fee of Rs. 5 shall be payable to the Chamber by each of the parties in addition to the charges and the fees paid to the arbitrators, surveyors or referees. Where the parties to an arbitration, survey or reference are non-members the fee payable to the Chamber shall be Rs. 7-8-0.

8. The total charges (exclusive of the fees to the Chamber) shall not ordinarily exceed Rs. 50.

9. The appointment of the fees and expenses between the parties shall be made by the arbitrators or surveyors in their Report. Deposits shall be returned when all the fees and expenses have been duly paid.

10. Arbitrators, surveyors and others appointed by the Committee for the disposal of references may take the opinion of the Committee on any point or points which may arise and may also gather such other evidence as they deem necessary.

11. A record of all arbitrations, surveys and references shall be kept at the office of the Chamber.

12. Arbitrators, surveyors or referees appointed under these rules shall fix a time for the hearing of the reference, and within 14 days of notice in this behalf the parties shall sign and submit a joint written statement or separate written statements. When separate statements are put in, each party shall be furnished with a copy of the other's statement.

13. The decision of the umpire where one is appointed under Rule 2 shall be final, even if it may not agree with that of either of the arbitrators or surveyors.

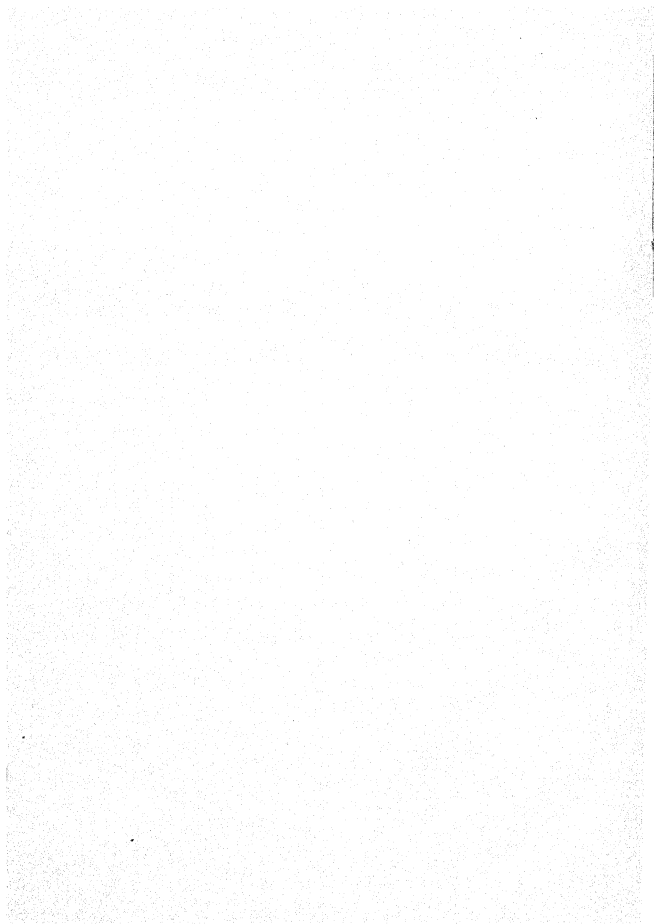
14. Arbitrators, surveyors or referees shall in all cases communicate their decisions to the Committee, and all communications to the parties shall be made through the Chamber.

15. Each decision shall state the reasons on which the same is based as far as may be practicable.

16. Whenever a Sub-Committee is appointed, the decision of the majority of such Committee shall be final.

17. All decisions under the rules shall be in writing, shall as far as possible state the reason on which such decisions are based, and shall be duly signed by the members concerned. All correspondence with the parties shall be carried on through the Chamber.

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# THE SOUTHERN INDIA CHAMBER OF COMMERCE.

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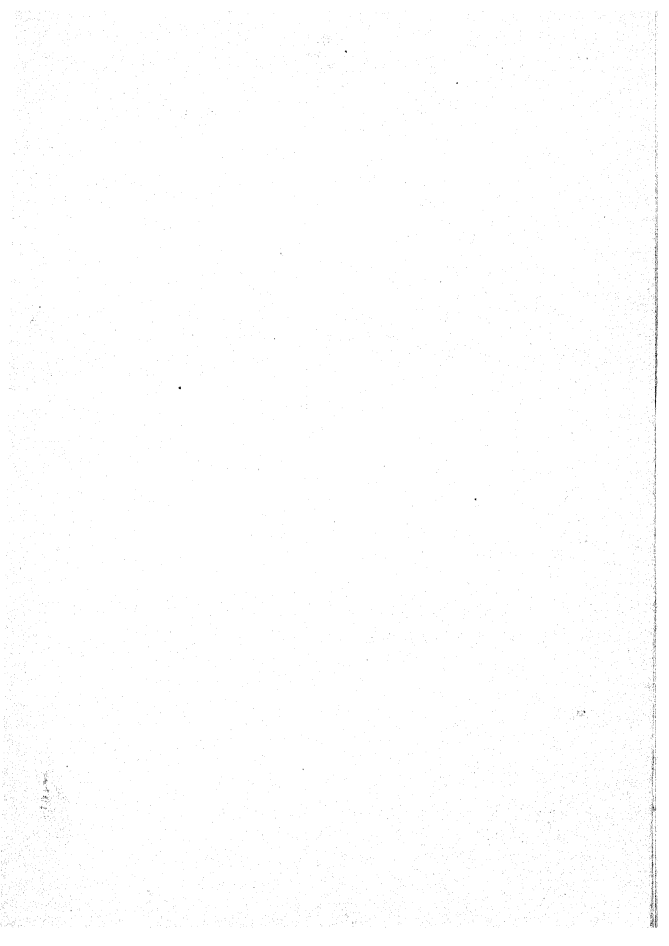
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